

# *The* NATIONAL UNDERWRITER



## GENERAL REINSURANCE CORPORATION

90 JOHN STREET, NEW YORK • 200 BUSH STREET, SAN FRANCISCO

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*Items from Financial Statement of December 31, 1939:*

CAPITAL . . . . .	\$1,000,000.00
SURPLUS . . . . .	6,000,000.00
VOLUNTARY RESERVE . . . . .	663,056.37
LOSS RESERVE . . . . .	7,103,431.21
PREMIUM RESERVE . . . . .	2,164,731.92
ALL OTHER LIABILITIES . . . . .	810,675.54

TOTAL ADMITTED ASSETS . . \$17,741,895.04

Securities carried at \$1,098,113.75 are deposited  
in accordance with law.

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*Casualty, Fidelity and Surety Reinsurance*

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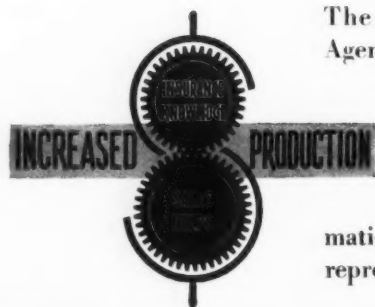
THURSDAY, APRIL 18, 1940

**A  
NEW**



## **SOURCE *of* PREMIUM INCOME!**

The increasing number of banks entering the automobile financing business in their various localities is creating new sales opportunities for local agents. Reciprocal advantages result when agents and banks work together in this field.



The folder pictured above enables Royal-Liverpool Agents to present to their local bankers a most helpful explanation of the considerations involved in such financing—also a review of insurance coverages available.

For a copy of this folder, together with information regarding other production aids supplied to our representatives, address the Publicity Department.

# **ROYAL LIVERPOOL GROUPS**

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA • THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA • THE NEWARK FIRE INSURANCE COMPANY • FEDERAL UNION INSURANCE COMPANY • ROYAL INSURANCE COMPANY, LTD. • THE SEABOARD INSURANCE COMPANY • STAR INSURANCE COMPANY OF AMERICA

THE NATIONAL UNDERWRITER. Published weekly (with one additional issue in April) by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill., U. S. A. Forty-fourth year. No. 16. Thursday, April 18, 1940. \$4.00 a year, 20 cents per copy. Entered as second class matter April 25, 1931, at the post office at Chicago, Ill., under Act of March 3, 1879.

## HOLC Places Line on Stock Company Association Bid

### Agents to Participate at Higher Commission, Tariff Rates Charged

WASHINGTON, D. C.—An end to the tangled situation and suspense regarding the insurance situation of Home Owners Loan Corporation properties was indicated when the Federal Home Loan Bank Board, of which the HOLC is a division, announced early this week that the Stock Company Association "will write all future fire insurance which the Home Owners Loan Corporation finds it necessary to place on properties of its borrowers."

The agreement is retroactive to Feb. 1, and provides that the Stock Company Association shall assume all liability now carried under a binder since that time, when the old agreement with the Stock Company Association and the Mutual Company Association expired.

### Agents' Commissions Increased

Many details are not disclosed by the announcement. It was stated, however, that all state laws will be complied with and standard tariff rates will be charged. W. H. Bennett, New York, counsel National Association of Insurance Agents, later announced that local agents will get 20 percent commission on all insurance written by the Stock Company Association. Previously they had received half the regular commission, so this will be a material increase in practically all cases.

### Borrower Can Name Agent

The release continues: "HOLC borrowers retain the privilege of furnishing their own insurance through companies and agencies of their own choice, the corporation acting only after failure of a borrower to furnish adequate insurance, or upon his specific request for insurance coverage. When for any reason the corporation acts on behalf of the borrower, he still is permitted to name the local agent in the transaction." The "general method of handling the business" will be "practically the same as heretofore."

### Classes Not Distinguished

The statements did not refer specifically to the different conditions of property in which the HOLC is interested. Presumably, however, an owner of property mortgaged to the HOLC who is not in default may furnish the corporation with a policy in any admitted carrier, as is now the case. The Stock Company Association will apparently write insurance where the owner is in default, or where he fails to furnish insurance.

Where a borrower obtains an extension  
(CONTINUED ON PAGE 18)

## Education, Auto Finance Are Main Florida Topics

### NEW OFFICERS ELECTED

President—Hunter Brown, Pensacola.  
First vice-president—Herman J. Arant, Miami.

Second vice-president—Frank D. Moor, Tallahassee.

National councillor—O. Mitchell Stallings, Tampa.

Secretary—A. C. Eifler, Tampa (full-time).

Directors—Vincent J. Armstrong, Jacksonville; B. D. Cole, Jr., West Palm Beach; Norton P. Davis, Ocala; J. Howard Gould, St. Petersburg; James B. Hall, Orlando; James W. Warren, Tampa, and William H. Lindsey, Daytona Beach.

PALM BEACH, FLA.—Two important subjects which will be taken up at the mid-year meeting of the National Association of Insurance Agents next week were previewed at the annual meeting of the Florida association here. National President Sidney O. Smith, speaking for Vice-president Payne H. Midyette as well, declared that "there is a mandate from the membership to set up a national plan of education at once" for local agents. In addition a resolution was adopted strongly opposing the proposed method of insuring financed cars now being considered by the National Automobile Underwriters Association that calls for substantial reductions in rates and agency commissions. The agents' main criticisms were that the plan discriminates in cost in favor of credit purchasers and that it sets a bad precedent for other commission reductions.

### Tribute to Dean McCord

While the pioneering work done in Florida during the last three years in educational programs was the cornerstone of the Florida association's deliberations, leading always to tributes to the leadership of "Dean" L. P. McCord of Jacksonville, there were many other highlights.

Special interest was shown in the talk of Bernard P. Carter, Richmond general agent, on the "Consumer Cooperative Movement," which brought up to date his Hollywood discussion of a year ago.

Ray Murphy, assistant general manager Association of Casualty & Surety Executives, decried the un-American ideologies now being coddled even in the "high places."

### Stallings Gives Report

The activities and problems of the Florida association were outlined in detail by O. Mitchell Stallings, Tampa, retiring president, in three separate talks, one of which was an off-the-record personal message to the incoming administration and members. His major topics included the local board cooperative agreement, contingent commissions, educational work, the placement of insurance on state properties for the benefit of the entire membership, the attendance of local board presidents at meetings of the association's directors, financed automobiles, broader coverages, better relations with other business leaders, and

the drafting of a code of guiding principles similar to those in California and New Jersey.

In commenting on the contingent commission situation, Mr. Stallings said that the general agents conference committee has presented ample justification to the companies for granting "our request for a share of profitable business developed."

Mr. Stallings said that the insurance business should not await the demands of the public before making progressive steps in broadening coverage to offset the decreasing premium volume. Although the automobile, casualty and inland marine contracts are being broadened, the fire companies are steadfastly standing by the restricted forms of contract, Mr. Stallings said. They show no inclination to be leaders, but merely follow when forced to do so by competition. "For the fire and windstorm premiums effective in Florida, the companies could safely write a practically all risk policy on buildings and for a slight additional premium for burglary hazards, could extend this to contents. We owe it both to our companies and to our customers to exert every influence on the governing bodies in the fire insurance business to get them out of their present rut of restricted coverage."

### Time to Take Action

In answer to threats of government competition, Mr. Stallings declared: "It is time that we, in the insurance business, should lift up our heads and shoulder to shoulder with other business organizations, reassume our just position along with all private citizens of this country as the real rulers of the nation, definitely informing our hired men in government that they are to run this government as we direct and are not to go out of bounds by assuming that they can direct us in the intimate details of our own business."

Mr. Stallings recommended that steps be taken to prepare a code of guiding principles similar to that adopted in California.

### Nearly 300 Attend

There were nearly 300 delegates at the two general and one executive sessions. In addition there were meetings of the directors before and after the convention and an informal conference of presidents of local boards, who adopted a contingent commission resolution for the consideration of the incoming administration. In event the contingent commission request is denied, the resolution stated "that the local board representatives here assembled hereby agree to advise their membership that they use their own discretion in their respective boards to individually consider the acceptance of non-board agents to their membership and also to use their own discretion in solving their commission problems."

### Gane Extends Welcome

In addition to the opening ceremonies, which included an address of welcome by O. A. Gane, president of the Palm Beaches Board, and a response by  
(CONTINUED ON PAGE 18)

## Annual Meeting at White Sulphur Is Well Attended

### C. H. Smith Elected President of the Western Underwriters Association

### NEW OFFICERS ELECTED

President—Charles H. Smith, western manager Hartford Fire.

First vice-president—W. N. Achenbach, western manager Aetna Fire.

Second vice-president—R. D. Safford, vice-president Travelers Fire.

Manager—Charles F. Thomas.

### By C. M. CARTWRIGHT

WHITE SULPHUR SPRINGS—At the annual meeting of the Western Underwriters Association, C. H. Smith of Smith & Wheeler, western managers Hartford Fire, was elected president. He succeeds S. M. Buck, vice-president of the Great American in charge of the western department, who has served the organization in that office for two years. Mr. Smith is regarded as one of the outstanding men of the west who has had a splendid insurance training.

### Meeting Well Attended

The attendance at this meeting was gratifying. The western contingent always makes a good showing and at this gathering the easterners turned out in respectable numbers. This being the last meeting over which Mr. Buck presided, he was given an expression of appreciation for his splendid service. He proved a most useful, intelligent president. He has used excellent judgment in what he has done and his work has been accomplished in a quiet but effective way.

### President Smith's Career

President C. H. Smith was born in Dalton, Pa., Feb. 11, 1885. He attended the State Normal School in East Stroudsburg, Pa., and then got his B.S. degree in chemistry from Pennsylvania State College in 1907. He started his insurance career as an inspector for the Underwriters Bureau of the Middle & Southern States of New York that year. He became later inspector for the Hartford Fire in the special risk department at its head office in 1910 and was transferred to the western branch in Chicago, March 6, 1916, being superintendent of the special risk department. He was appointed assistant general agent, then associate general agent and later on with Clem E. Wheeler was made manager. His work with the Western Underwriters Association has always been noted for its soundness, broad-mindedness and tolerance.

Started up toward the presidency is W. N. Achenbach, western manager of Aetna Fire, who becomes first vice-  
(CONTINUED ON PAGE 14)

## Smith Says Agents Are Entitled to Inland Marine Lines

**Raps Specialty Offices, Advocates Regulation, Praises Florida School**

PALM BEACH, FLA.—Inland marine lines should be written through established agency channels and there is no longer any need for specially organized general agencies for this line, Sidney O. Smith, Gainesville, Ga., president National Association of Insurance Agents, said in his speech at the convention of the Florida Insurance Agents Association. He also maintained that inland marine departments should be willing to conform to regulation equivalent to that imposed upon the writing of fire, burglary and other hazards overlapped by inland marine contracts. The National association has a committee on this subject and hopes to establish conference machinery with the companies to this end.

In the fire insurance business, Mr. Smith said, there seems to be more order, logic and respect for the rights of others than in the casualty and inland marine lines. Hence, the well recognized principles in the fire insurance business should be transplanted into the casualty and marine fields. New departments always cause trouble and ultimate harm to the business when they aggressively develop their own line without considering the effect on existing agency relations. Mr. Smith said that if the automobile fire and theft business and the casualty business had patterned themselves on fire insurance lines when they were young, many of the abuses which later developed would have been prevented.

### Agents Can Handle Business

Even the casualty business, Mr. Smith said, has at least recognized the principle of limitation of agencies and classification of producers. Inland marine lines have grown to the point that an intelligent local agent even in a small community may reasonably build this class of business into the third or even the second place in his volume, without subtracting from the growth of his other business. Inland marine lines are not a mystery any more and worth while agents understand them. There is accordingly, Mr. Smith said, no ground for the argument that specialists are needed.

The greater part of Mr. Smith's speech was concerned with educational work and the development of a "career attitude" toward the insurance business. He said that the Florida short course insurance school silenced the laughter of those who scoffed at the possibility of such an attitude ever becoming prevalent. The public, accustomed to expect imperfect service and mediocre training, is either viewing this upheaval with amused tolerance or awaiting the test of its permanence.

### Agents Must Prepare

The insurance agents, Mr. Smith said, are desperately in earnest. New forms of competition and multiplied and more complicated coverages have created a challenge which they are facing. At the same time, they are giving attention to creative and constructive public relations. The "career attitude" means that an agent must look not only beyond the first year or so, but even beyond his lifetime. Every daily act must be considered upon the scrutiny it will bear in the years ahead.

## Wisconsin School Draws 200 Persons

MILWAUKEE—The first annual insurance school of the Wisconsin Association of Insurance Agents is being held here with a gratifying response from Wisconsin fire and casualty men. About 200 agents, their employees, and solicitors and company field men attended. The original plan was to accommodate 75 registrants. Field men cooperated fully.

Grover Miller, Racine, state association president and school chairman, opened with an address on the plans and purposes of the agent's educational effort. He explained it was decided to substitute the school for the mid-year convention and secure cooperation of stock companies. The faculty was composed of home office officials who are authorities in their respective lines. The initial success presages continuation of the plan and the possibility of regional schools to bring the educational program to agents and their employees at geographically convenient centers. It is also planned to devote part of the annual convention in Fond du Lac next fall to a school.

Members of the committee were introduced, these being W. F. Schar and Roy Ashton, Madison; John Battenberg, Racine, and W. F. Koch, Milwaukee. R. B. Ebert, assistant association secretary, who was appointed since the last annual meeting in Wausau, was introduced.

### Calhoun Session Chairman

W. B. Calhoun, Milwaukee, past president National and Wisconsin Associations of Insurance Agents, presided in the morning; John Oppermann, Wausau, and Robert Phillips, Milwaukee, in the afternoon, and William Koch, Milwaukee, in the evening. William Lathrop, Janesville, and W. V. Jackson, Eau Claire, will preside Thursday, with President Miller presiding at the awarding of the school certificates and the closing ceremonies.

A variety of fire and casualty insurance subjects is being covered, including automobile liability, property damage and non-ownership; policy provisions, presented by A. B. Nickerson, Baltimore, manager automobile division Maryland Casualty; surety rate making, by Martin W. Lewis, New York, Towner Rating Bureau; public liability, servant liability and compensation, by O. B. Sullivan, Milwaukee, Aetna Casualty; burglary, hold-up, safe, messenger and interior robbery, by J. H. Dittman, New York, U. S. F. & G.; inland marine, personal property floater, jewelry floater, by P. J. Leen, Chicago, marine superintendent Fireman's Fund; fire, wind, extended coverage, rent, U. & O., new fire forms, by George Peacock, Milwaukee, Wisconsin state agent Agricultural and vice-president Wisconsin Fire Underwriters Association.

## Lower War Loss Cheers Marine Men

**Convoy System Holds Down Sinkings, Thorn Tells Risk Research Institute**

NEW YORK—The convoy system has proved so effective that shipping losses have not even approached the figures of the first world war, H. C. Thorn of this city, marine manager North America, told the Risk Research Institute. He said up to April 7 the British lost 192 ships with a total gross tonnage of 727,894, while in the heaviest month of the world war, April, 1917, they lost about 545,000 tons.

During the present war neutral ships have suffered more than vessels of belligerents, 199 ships of 19 neutral nations having been sunk. The loss in gross tons, 539,853, however, has been less. In the first world war the neutrals had a higher rate of loss than the allies, Mr. Thorn said, since like the belligerents they were subject to torpedoing on sight but did not have the advantage of being armed.

### Tells Latest Complications

The most recent complication in the marine insurance picture, Mr. Thorn said, is that the British have ordered Norwegian ships to stay away from neutral ports. The British took this attitude when Norway first became involved in the war but soon changed it. The latest ban on Norwegian ships calling at neutral ports is due to a fear that Norwegian owners, under German duress, would order their captains to take some action in a neutral port which would result in their being tied up for the remainder of the war.

An additional complication, Mr. Thorn said, is the reported action of the Allies in seizing Norwegian ships. Dispatches indicated that the British had seized two Norwegian ships from the far east, detaining one in Bermuda and the other in Jamaica, while a French man-of-war picked up a third Norwegian vessel off the Brazilian coast and took it to Martinique. If this status of Norwegian ships is to prevail, Mr. Thorn said, it is obvious that it would be as impossible to quote rates against Allied capture of cargoes in Norwegian ships as to insure

(CONTINUED ON PAGE 28)

Round table discussions follow each subject.

During the period of the school, the executive committee and officers of the Wisconsin association will hold its regular meeting at which the date will be selected and preliminary plans started for the annual convention at Fond du Lac next fall.

## General Agents Are Holding Annual Meeting in Dallas

**President Lanagan of American Association Reports at Convention**

DALLAS—Attendance of close to 100 was indicated for the meeting of the American Association of Insurance General Agents as it opened here, according to the early registration.

All speakers on the program have reported and the program is expected to go through unchanged. The association's executive committee held its annual meeting prior to the convention, but transacted only routine business.

### Fuller Recognition Needed

Legitimate supervising general agents have not won full recognition in all lines, and therefore various difficulties cropped up in the last few months, Fred R. Lanagan, Denver, association president, reported. One of the difficulties was the recent provision in the proposal by the National Automobile Underwriters Association concerning changes in rates and commission on financed automobiles, setting forth the compensation which might be paid to a general agent. This provision, Mr. Lanagan said, was opposed to one of the fundamental tenets of the American association and therefore was vigorously opposed. As a result of protests not only from the general agents, but from local agents and brokers, action on the proposal was deferred.

### Remuneration Is Private Matter

"The question of the remuneration of general agents is a matter of private contract between the general agent and the companies he represents," Mr. Lanagan said. "Remuneration paid the general agent falls in the same class as that paid executive officers and direct company employees."

He said he had thought this question settled for good when the Interstate Underwriters Board, Inland Marine Underwriters Association and other governing bodies adopted a definition of what constituted a bona fide supervising general agent and eliminated from their rules all reference to the supervising allowance which might be paid them by member companies.

"Apparently, however," he said, "there are some company executives who are still of the opinion that our remuneration is subject to regulation by the various company regulatory bodies, and it therefore behooves all of us to be ever on the alert to forestall such attempts, the time for action being before such rules are adopted and not afterward. It is regrettable that the local and general agents were not first given an opportunity to be heard before the new plan was submitted by member companies for adoption or rejection."

### Another Effort Unsuccessful

The association for 15 years has been seeking to obtain from casualty and surety companies recognition for bona fide supervising general agents. While apparently very little if any progress has been made in this direction, Mr. Lanagan said, "I feel that we should not abate our efforts and that successive administrations should make every effort to bring about the desired action. When the casualty companies find a place in their business for legitimate supervising general agents similar to that occupied by the members of this association in

(CONTINUED ON PAGE 28)

## THIS WEEK IN INSURANCE

C. H. Smith of Smith & Wheeler of Chicago, western managers of the Hartford Fire, was elected president of the Western Underwriters Association at its annual meeting at White Sulphur Springs this week. **Page 1**

Stock Company Association gets insurance on HOLC properties. **Page 1**

Educational activities, problems involving insurance of financed automobiles feature Florida Association of Insurance Agents' annual meeting. **Page 1**

Sidney O. Smith calls for regulation of inland marine business and respect of agents' rights in Florida convention speech. **Page 2**

Conference is held between company and agency representatives in New York on the proposed automobile finance plan. **Page 3**

War situation involving more neutral countries increases marine insurance complications. **Page 4**

Supervising agents have much to do in gaining full recognition of their functions, Fred R. Lanagan, president American Association of Insurance General

Agents, reports at convention in Dallas this week. **Page 2**

Deals of N. R. O. G. Agency traced by President Welsh of Missouri Association of Insurance Agents. **Page 3**

Question whether insurance is fully meeting the challenge of changing times is raised by Kemp S. Dargan of Houston in talk at Dallas meeting of American Association of Insurance General Agents. **Page 4**

Work of Underwriters' Laboratories reached a new peak in 1939, President A. R. Small reports at annual meeting. **Page 3**

Equity rating plan on a trial basis is to be put into effect by the boiler companies effective May 1. **Page 23**

Spencer Welton gives some sales suggestions in an address at Dallas. **Page 23**

Cleveland Surety Association told form No. 8 Revised is still the most desirable bankers blanket bond. **Page 23**

Valuable sales points brought out at Cleveland accident and health sales congress. **Page 23**

## Agents, Company Men Hold Parley on Finance Plan

**Meeting Is Inconclusive — Executives Strongly Favor Plan Now on Tap**

NEW YORK—The conference that was held here the other day attended by members of the special committee on finance business of the National Automobile Underwriters Association, representatives of the American Association of Insurance General Agents, National Association of Insurance Agents and brokers associations, proved to be inconclusive. The representatives of the general agents' association were not able to speak with finality for their group, because it was anticipated that the entire association would want to consider the matter at its meeting, which is now in progress at Dallas this week.

W. H. Bennett, secretary of the National Association of Insurance Agents, was not able to convey the final word of his association, because the subject will be taken up at the forthcoming mid-year meeting in Wichita. It was indicated that Assistant Secretary C. M. Campbell of the North America might attend the general agents' meeting and also the local agents' meeting as a liaison between the company committee and the field organization.

### Lanagan, Stebbins Attend

The general agents' association was represented by Fred R. Lanagan of Denver, president, and Herbert Cobb Stebbins of Denver, secretary.

Apparently there is strong sentiment of the executives of some of the companies that have a major interest in the automobile business in favor of a plan similar to the one that is now under consideration. That plan contemplates a reduction of 25 percent in the rate for finance business and a reduction of the commission to the producer to 10 percent.

The point was made that one of the non-organization companies is making hay in some of the eastern states by using a plan along these lines. Some

## Laboratories Work Reached Peak in '39, Small Reports

At the annual meeting of Underwriters Laboratories of Chicago all officers were reelected and A. F. Powrie, western manager of Fire Association, was elected a trustee to succeed Walter D. Williams of Rockford, Ill., former president of Security of New Haven, who had served nine years.

President Alvah Small reported that more products were tested, approved and labeled in 1939 than in any previous year. There was an increase in the public's recognition that "approved by the Underwriters" contributed to the safety of life and property.

Describing the facilities for research and for answering technical questions for insurance companies, fire marshals and others, Curtis R. Welborn, secretary, said 66 field problems referred to the Laboratories by this group during the year had been solved.

Treasurer L. B. Headen reported that the increase in the surplus was \$13,868.

### John C. Harding Presides

John C. Harding, resident executive vice-president of Springfield Fire & Marine, chairman of the trustees, presided at the meeting of the corporation members and at the trustees' meeting.

Trustees present were: Sumner Bal-

lard, president International; Geo. H. Bell, western manager National Fire; S. M. Buck, vice-president and western manager Great American; H. T. Cartledge, deputy U. S. manager, Royal-Liverpool; John F. Gilliams, vice-president Camden Fire; F. W. Koeckert, U. S. manager Commercial Union; W. E. Mallalieu, general manager National Board; Mr. Small; Paul B. Sommers, president American, and Mr. Powrie.

In addition those attending the meeting of the members of the corporation were Benjamin Richards, manager Underwriters Service Association; John Neale, protection engineer; R. B. Shepard, electrical engineer, and H. B. Michael, burglary protection engineer Underwriters Laboratories.

While company officials that opposed the committee plan as it was presented, have a distaste for it, they do contend that if the finance business is to be saved some scheme must be worked out and they fail to see how one can be devised unless the companies, agents and brokers all are willing to make some sacrifice. These executives declare that the finance business is getting away from the organized companies both through the establishment of specialty companies by the finance institutions and the alliance of some outside companies with banks, which are taking this line out of agency channels.

H. W. Schaefer, Julian Lucas, F. R. DuBois, R. E. Kipp and J. Gray represented the National Association of Insurance Brokers at the conference.

lard, president International; Geo. H. Bell, western manager National Fire; S. M. Buck, vice-president and western manager Great American; H. T. Cartledge, deputy U. S. manager, Royal-Liverpool; John F. Gilliams, vice-president Camden Fire; F. W. Koeckert, U. S. manager Commercial Union; W. E. Mallalieu, general manager National Board; Mr. Small; Paul B. Sommers, president American, and Mr. Powrie.

In addition those attending the meeting of the members of the corporation were Benjamin Richards, manager Underwriters Service Association; John Neale, protection engineer; R. B. Shepard, electrical engineer, and H. B. Michael, burglary protection engineer Underwriters Laboratories.

### Luncheon Attended By 50

The trustees, members of the corporation, and department heads and assistants, numbering about 50, were guests of the officers at a luncheon.

Guests at the luncheon included E. A. Henne, vice-president America Fore; C. F. Thomas, manager Western Underwriters Association; Geo. H. Moloney, vice-president Hartford Accident; H. L. Grider, manager Western Factory; F. W. Doremus, western manager American, and B. H. Glover, retired plant engineer of Underwriters' Laboratories.

At the corporation meeting department heads summarized the advances which had been made in testing equipment for fire, accident and crime prevention.

"An unusual amount of novel equipment was submitted for test," Mr. Shepard said. Among the items mentioned were: bacteria extermination equipment, electric beauty mask, fluorescent lighting controls, hedge trimmer, electric lawn mower, television receiving sets, and an X-ray shoe fitter.

### Neale Gives Report

Mr. Neale reported on the tests of fireproofed wood doors of experimental design, wired glass windows in aluminum frames, and a steel joisted floor construction which received a four-hour classification after fire and hose stream tests. Standards were developed by the department for air filters for air conditioning systems.

The Laboratories, E. J. Smith said, was chosen by the oil burner industry to test oil burners for elements of efficiency to determine compliance with the

(CONTINUED ON PAGE 19)

## Missouri Leader Traces Deals of N. R. O. G. Agency

**W. J. Welsh Makes Extended Report to National Association**

KANSAS CITY.—Of significance to agents is the report of William J. Welsh, president of the Missouri Association of Insurance Agents, to the National Association of Insurance Agents, concerning the N. R. O. G. insurance activities and the companies behind them. The investigations of Mr. Welsh and the Missouri department resulted last week in the suspension of the license of the Rhode Island by the Missouri department.

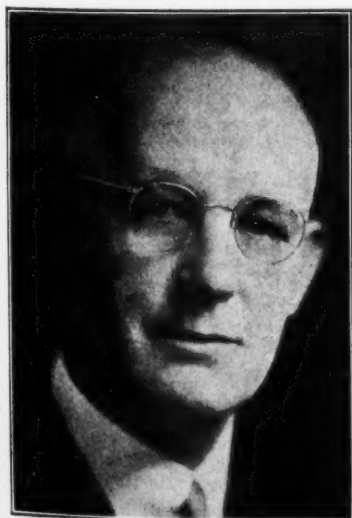
The following telegram was received from President Byron S. Watson of the Rhode Island in response to an inquiry from THE NATIONAL UNDERWRITER:

"We regret to confirm that it is correct the Missouri insurance department has temporarily suspended license of Rhode Island Insurance Co., because of an alleged infraction of that state's laws in connection with an inland marine contract issued last year by the Rhode Island's Pacific Coast general agents, Cravens, Dargan & Fox. The insurance department has been advised this contract was issued before the merger of Merchants and Rhode Island and before the inception of its reorganized underwriting practices including the establishment of a separate inland marine department. The commissioner has been further advised that though Cravens, Dargan & Fox still maintain that the contract is issued under terms that are fully in accordance with law, the Rhode Island has nevertheless ordered immediate cancellation so as to comply with the request of the Missouri department.

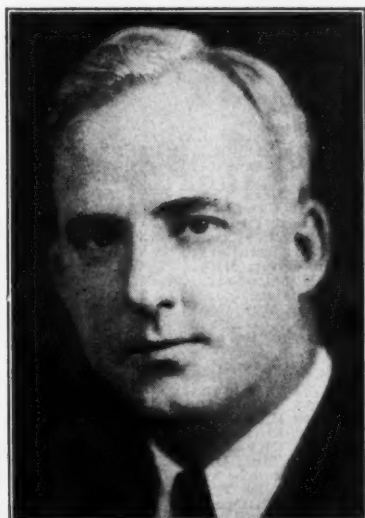
The report of Mr. Welsh reviews the insurance operations of the National Retailer-Owned Grocers, Inc., and the N. R. O. G. Insurance Agency, Inc., and the difficulties of the Missouri association.

(CONTINUED ON PAGE 10)

## OFFICIALS OF AMERICAN GENERAL AGENTS ASSOCIATION



FRED R. LANAGAN, Denver  
President



HERBERT COBB STEBBINS, Denver  
Secretary-treasurer



S. B. SCRUGGS, Dallas  
Executive Committee Chairman



J. K. SHEPHERD, Little Rock  
National Councillor

## Challenge of Times Must Be Met

### Kemp Dargan Talks on Modernization at General Agents Meeting in Dallas

Insurance must keep up with the changing times or it may drop into the discard as an outmoded thing, Kemp S. Dargan of Cravens, Dargan & Co., of Houston, Tex., insurance managers, declared in a talk on "Keeping Up with the Times" at the annual meeting of the American Association of Insurance General Agents at Dallas this week.

Accomplishments and traditions of the business are fine to look back upon and to serve as guides for the future, he said, but insurance owes its existence to being a necessary adjunct to the business and social life of the world. He noted that some fire and casualty companies have a disposition automatically to decline anything new just because it is new.

#### May Be Lagging Behind

"I wonder whether the tempo of insurance has quickened as fast as that of communication and other factors of business," he said. He paid respects to London Lloyds for keeping abreast of the times, saying that if a policy for a special risk cannot be found, the underwriters will consider the risk if it is within the boundaries of reasonable underwriting profit and principles.

The general agents, he said, are in a preferred position to correlate the various problems and factors more quickly and with broader vision than other members of the insurance fraternity. They are in more intimate touch with progress of agents and their customers because they supervise comparatively small territories and are usually closely identified with the business, social and political life. Also the problems affecting their territories loom larger with them than they do in the nationwide or worldwide business of a company. The general agent has contact with a number of companies but is not bound by experience, tradition or prejudices of a single company or group. He also has access to companies writing practically every form of insurance and his market is not circumscribed by charters, capacities or inhibitions of one company or group. Thus he is able to adopt the most progressive and forward looking ideas from each.

#### In Position to Do Great Good

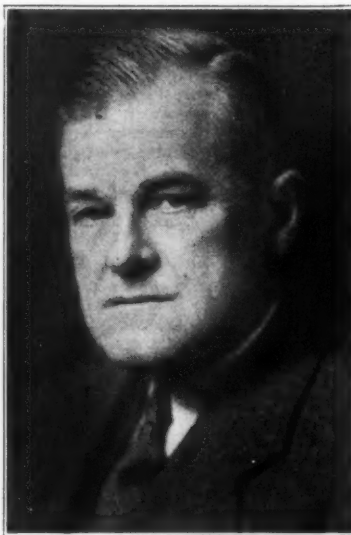
Mr. Dargan emphasized that the general agents are in position to take effective steps not only in ending unbridled competitive practices within the business, but planning and putting into effect the extension and operation of insurance services and offsetting the harmful developments which are threatening at Washington.

"There is not much doubt, I think," he said, "that some things have happened at Washington, and will continue to happen, which will not be condoned by Congress or by the higherups of the administration if these things are called to their attention. It is said that some theorists in Washington circles subscribe to the belief that both general agents and local agents are unnecessary barnacles on the ship of insurance, so we must defend vigorously the institution of which we are part, and we must continue to demonstrate our own usefulness."

#### Can Exert Strong Influence

"General agents scattered over the United States can discuss this governmental threat with their own representatives and other friends in the administration, and we can assist in similar discussions held by local agents and others vitally interested in the effect of governmental activities on the normal course of the insurance business. This can be done in a quiet, businesslike

## Starkweather & Shepley Has Staff Promotions



L. D. STITT

L. D. Stitt, secretary of the Illinois corporation of Starkweather & Shepley, Chicago, has been elevated to vice-president and a number of staff promotions made. Mr. Stitt has been in charge of the Illinois corporation for many years and has developed one of the leading offices in Chicago. His previous experience was with the Great American in New York and Chicago and for a number of years he was with Marsh & McLennan before going with Starkweather & Shepley.

#### Other Advancements Made

G. W. Bischoff, formerly assistant secretary, becomes secretary. Mr. Bischoff has been connected with the office for many years, is a most resourceful and capable underwriter and has a broad knowledge of all forms of insurance.

W. J. Patterson has been appointed assistant secretary. He has been associated with the corporation since 1931. He is a casualty underwriter of exceptional ability and has had a successful experience in contact work.

R. T. Metcalfe also has been appointed assistant secretary. He has been with the office since 1928, starting his career there as an engineer, in which branch of the business he is a well recognized authority, and in addition to that he has become a successful producer.

fashion, of course, and without engaging in propaganda or attempting anything improper."

He pointed out that some of the troubles and bad competitive practices can be laid to the men in the business who feel they must have an advantage over their competitors in order to exist and prosper. An advantage to one man, if a disadvantage to many others, surely will bring disaster, he said. Insurance, which is based on average, can continue safely only on a basis of rates, commissions and other elements of income and outgo which make possible a fair average of results for all.

Among abuses he pointed out the naming of general agents who are not general agents in fact. In certain states, he said, there is not much that the companies themselves will do about this or other competitive features. Some company officials say, Mr. Dargan stated, they are too concerned with problems of all 48 states to initiate a cure for evils in just one state, and there may be legal obstacles preventing the settlement of such difficulties. However, the general agents can take an active part in initiating any worth while plans for ameliorating such harmful conditions within the business.

## Iowa Fire Volume Shows Gain

DES MOINES—Fire business, including wind and hail, by all companies licensed in Iowa totalled approximately \$15,030,000 during 1939, an increase of slightly more than \$300,000.

Total net losses incurred amounted to \$6,005,000, compared to \$6,169,122 for net losses paid in 1938.

The increase on premiums was made by stock companies with a total of \$10,536,569 for both Iowa and non-Iowa companies which compared with \$10,224,124 in 1938. Mutual companies, including both Iowa and non-Iowa, dropped off approximately \$30,000 with a total of \$4,316,475 as compared with \$4,345,877 in 1938. Reciprocal reported net premiums as \$177,260, compared with \$149,173 in 1938.

#### Four Iowa Stock Companies

The four Iowa fire companies reported total premiums at \$362,937 and losses incurred at \$136,414.

They were:

	Net Premiums	Net Losses Incurred
Dubuque Fire & M. S.	\$ 124,503	\$ 48,111
Inter-Ocean Reins...	51,051	29,157
Iowa Fire, Waterloo	4,532	1,487
Security, Davenport.	182,851	57,659

The outside stock companies had premiums of \$10,173,632 and net losses incurred of \$4,435,891. Companies with premiums of more than \$50,000 were:

	Net Premiums	Net Losses Incurred
Aetna Fire	\$ 293,863	\$ 88,044
American Equitable	72,513	56,438
American, N. J.	218,634	81,082
Automobile, Conn.	233,857	87,455
Commercial Union	57,331	9,812
Concordia	51,403	30,398
Connecticut Fire	69,396	19,299
Continental	304,741	118,054
Fidel-Phenix, N. Y.	153,815	60,022
Fireman's Fund	285,775	117,065
Firemen's, N. J.	212,886	90,585
General Exchange	256,331	133,501
General, Wash.	136,682	72,021
Glens Falls	80,983	20,017
Great American	227,919	110,119
Hanover	70,860	24,841
Hartford Fire	1,073,555	471,437
Home, N. Y.	674,895	322,366
Ins. Co. of N. A.	167,047	77,919
Liver & Lond. & Gl.	39,480	49,847
London	62,821	26,845
Milwaukee Mech.	70,318	29,378
National American	63,485	27,577
National, Conn.	412,947	173,211
National Reserve	68,655	22,817
National Union	228,899	106,620
N. H. Fire	68,591	25,945
No. British & Merc.	62,268	17,125
Northern, Eng.	64,252	28,817
Northern, N. Y.	54,531	34,331
North River	96,181	53,965
Northwestern Natl.	120,288	46,505
Pearl Assur.	55,244	44,880
Phoenix, Conn.	219,921	79,944
Queen	74,678	41,648
Royal	91,137	48,906
St. Paul F. & M.	235,642	92,341
Security, Conn.	64,935	37,317
Standard, Conn.	51,587	15,705
Travelers	206,768	68,524
Springfield F. & M.	203,731	62,954
Trinity-Universal	88,848	50,711

Iowa Mutual companies wrote \$3,268,748 net premiums and losses amounted to \$1,060,948 on fire, hail, etc. coverages. Non-Iowa mutual companies wrote \$1,047,727 net premiums and losses incurred totalled \$247,034.

Mutual companies with over \$25,000 premiums were:

Out of State		
Agricultural Mut....	\$ 105,891	\$ 52,047
Minnesota Imple....	128,358	37,952
Citizens Fund	33,359	15,742
Grain Dealers Nat...	74,384	25,551
Standard	98,204	27,934
Implement Dealers...	41,616	8,336
Millers, Ill.	30,796	17,525
National Retailers...	62,912	14,556
Northwestern Mut...	42,256	20,053
Ohio Hardware	35,067	7,282
Penn. Millers	29,927	4,704
Tri-State Mut. Grain	27,827	10,659
Union	40,329	7,300
Western Millers	27,424	9,470

Iowa Mutuals		
Drug, Mut., Algona.	57,811	24,889
Farmers Mut. Reins.	133,451	107,699
Farmers Elev. Mut.	45,802	15,245
Farmers St. M. Hall	37,839	16,913
Farm & City	47,459	20,516
Hawkeye Mut. Hall	153,465	47,998
Iowa Hardware Mut.	56,313	18,161
Iowa Mut., De Witt.	494,146	178,627
Iowa Mut. Tornado.	717,635	172,163
Mill Owners	279,715	81,336
Mut. Fire & Tor.	159,760	50,664
Square Deal	213,268	72,899
Town Mutual	458,354	114,559
Western Mut.	386,622	124,007

## Marine Insurance More Complicated

### War Situation Involving More Neutral Countries Is Increasing the Difficulties

NEW YORK—The war situation now affecting Norway and Denmark becomes more acute from a marine insurance standpoint owing to neutral countries being involved and their boats ordered into harbors wherever they may be. Norwegian and Danish boats have been figuring in Atlantic shipping and also have been used to considerable extent in plying between South America and North America and Canada. Therefore American shipping will be considerably affected for lack of facilities. When the war started a number of English and other boats were withdrawn so that they could ply between England and other ports. Exporters find it extremely difficult now to get space in freight boats and therefore can make no promises. The entire ocean marine situation so far as it affects Europe therefore becomes more and more complicated and chaotic.

## Blackall Warns Against Idea of Federal Supervision

HARTFORD—Stating that it is the right of a state to supervise the insurance business within its borders, Commissioner Blackall in a radio address warned against suggested federal supervision as tending toward an eventual socialization inimical to the best American traditions. He also urged that a halt be called on insurance legislation, in order that legislation already passed might be absorbed, thereby giving the business some solid foundation for future planning.

"There is some discussion these days as to whether or not the supervision, at least of the life insurance business, should be centralized in Washington," said Commissioner Blackall. "In my opinion, such a supervision would have to be imposed upon or be ancillary to the state supervision of companies. It seems to me that the state should have the authority to determine the requirements for the admission of companies and such requirements should not be endangered by any centralized supervision that might permit standards weaker than those ordinarily required."

"Then too, the federal government already has preempted the income tax field and should it take over the supervision of insurance companies, it would be only another step for it to preempt taxation of insurance companies, as a result of which the states, including Connecticut, would have a serious problem on their hands. Within one generation of the time when the federal government should start to supervise insurance companies, I am afraid we should have a very pronounced socialization of the business that would be out of harmony with the developments to date in our social and economic life."

## Exclude Va. Non-Salaried Agents

RICHMOND — Non-salaried insurance and real estate salesmen are now excluded from the unemployment insurance system in Virginia by amendments enacted by the legislature and signed by the governor. The revised law redefines certain groups of covered workers, specifically excluding certain employments.

Hartford Companies have contributed \$25,000 toward the \$50,000 required to purchase property in that city on which to erect a home for the Hartford College of Insurance and Hartford College of Law.

Lee Henry Cotten, Inc., agency of Jackson, Miss., has been appointed exclusive representative of the Lumbermen's Mutual Fire of Mansfield, O.



# PROTECT WHAT YOU HAVE

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This month's North America national advertising tells how a North America Agent helped a manufacturer cut his insurance costs by 33%. Called in by the Agent, the North America's White Fireman inspected the plant and recommended the use of sand instead of sawdust as an absorbent for oil drippage; the installation of waste cans and a new location for the flue pipe. The result was a lower rating, which cut the manufacturer's cost 33% and increased the manufacturer's esteem for the Agent by several hundred percent.

See our full-page advertisement  
in the April 22nd issue of Life.

## INSURANCE COMPANY OF NORTH AMERICA PHILADELPHIA

and the  
INDEMNITY INSURANCE CO., of NORTH AMERICA

Write practically every form of insurance, except life.

Founded 1792

Capital \$12,000,000

Surplus to Policyholders Over \$77,000,000

## VIEWED FROM NEW YORK

By GEORGE A. WATSON

### BROKERS HEAR PARKINSON

T. I. Parkinson, president of Equitable Society, will be guest speaker at the annual luncheon of the Insurance Brokers Association of New York, April 23. It is expected he will discuss the TNEC investigations. Reservations already exceed 500.

### TELLS ABOUT SALVAGE COMPANY

E. L. Lewis, general agent the Underwriters Salvage Co. in New York City, told the Fire Insurance Examiners Association about the work of his organization in salvaging fire and water damaged stocks, and reducing the net loss to companies. While the examiners knew in a general way of the purposes of the Underwriters Salvage, few appreciated the details of its operation, or the fine equipment it possesses for renovating and disposing of goods.

As officers for the new year, the nominating committee submitted this slate: President, P. J. Buchmann, New York Underwriters; vice-president, G. J. Farner, Yorkshire; secretary, O. E. Condit, Home; treasurer, W. J. Bras-

sell, Northern Assurance; recording secretary, S. C. Harboe, Commercial Union.

### INSURANCE INSTITUTE WORK

Over 4,000 students are expected to take part in the examinations of the Insurance Institute of America which started April 15 and will be continued through April 24. Tests will cover casualty, fire, life, inland marine, ocean marine and surety lines, as well as fire insurance accounting and the medical jurisprudence of insurance claims. Examinations will be held at various centers and in Canada. In addition to class students, several hundred correspondence course students taking home study courses will participate.

### CLASS IN PUBLIC SPEECH

One of the accomplishments of the present group of officers of the Fire Insurance Examiners of New York has been the formation of a class in public speech instruction. Weekly meetings on Monday evening at 5:30 are conducted in the Insurance Institute meeting room.

E. A. Degnan, local agent at Jamaica, N. Y., is the instructor. Mr. Degnan, a graduate of Cathedral College, Brooklyn, has been interested in public speaking for many years. At one time he was chairman of a speakers' group at St. John's College and for the past three years he has been conducting similar classes on Long Island.

### JURISDICTION IS EXTENDED

H. F. Ellen, U. S. manager of Yorkshire, since war was declared, is supervising Yorkshire's business in South America and Central America. He is at home in this field, as he formerly looked after this territory from London headquarters.

### CENTRAL BUREAU REPORTS

The Central Bureau reports that unpaid earned premiums due fire companies last November was \$12,355, a decline of \$377 from November, 1938; that due casualty offices was \$65,952, decrease \$3,124.

### PRO RATA CONCESSION GRANTED

Fire risks at the New York fair placed under the reducing amount building form No. 1 will be written at pro rata of the published annual rates, the suburban division of the New York Fire Insur-

ance Rating Organization has decided. It was found that only short term insurance is necessary in connection with some risks, particularly on new construction and lessees' structural improvement only recently completed or now in process of completion. The liability of the insurer terminates on the official closing date of the fair.

In connection with the full cost and additional expense endorsement form No. 2, the short rate will be applicable.

### NORTHERN COMBINES TWO UNITS

The local and brokerage departments handling properties located in New York metropolitan and suburban areas as well as countrywide have been consolidated by Northern Assurance. R. W. Daum has been appointed general agent of the department. He was formerly insurance manager in New York for Albert M. Greenfield & Co. and was previously associated with Home as special agent. C. H. Cooper is made local secretary of the department in charge of underwriting.

### Adventure of Keys Ends Happily; Moral Is Found

Last October the National Board presented those attending the Boston convention of the National Association of Insurance Agents a key chain and identifying medallion. On the obverse appeared the name and address of the National Board and an identifying number.

One insurance executive from Washington, D. C., received key chain No. 1909, but like quite a few others overlooked registering his name and number. Recently, during a business trip in New York, he dropped his keys in a crowded taxicab. The final remaining occupant of the cab, an executive of a Hartford company, found them and telephoned to the National Board, but as the number had not been registered the owner's name was not on file. After checking with others, the finder mailed the keys, on suspicion, to the man in Washington, D. C. En route the keys tore through the envelope and fell out. Only an empty envelope reached destination.

### Now Believe In Full Coverage

The keys were again picked up by an unknown finder in Washington and returned anonymously to the National Board. At about the same time the owner himself finally wrote to the board, reporting his loss, although not very certain as to what might be his identification number.

The National Board now has his registration card, duly filled out. The owner has his keys, and a greater appreciation of the importance of taking steps to insure against loss in advance.

### To Collate Experience on Total Auto Fire Losses

E. L. Rickards, secretary of the western branch of the National Automobile Underwriters Association, in addressing the meeting of the Western Loss Association in Chicago Tuesday, explained the project of the N.A.U.A. to get from member companies the particulars about automobile total fire losses that are paid. Heretofore the association has been getting reports on collision losses and total theft but it has not received any reports on fire losses. Mr. Rickards asked for an expression of opinion as to the wisdom of this course from the Western Loss Association and that organization gave its unqualified approval.

Mr. Rickards said that there has been a distinct increase in automobile fire losses, particularly in the south, southeast and southwest. Many of the losses seem to be in connection with cars that are oversold and over financed, so there is ground for belief that moral hazard is involved. By getting reports the association will be able to discover in what localities such losses are concentrated. With that information they will be able to attack the problem more intelligently.



We're serenading prospects for you—with a three-part advertising plan. Our first tenor is national advertising — reaching almost 2,000,000 persons every month. Our second tenor is effective, pretested direct mail material that harmonizes perfectly with our national ads. And for the good old melody man, we offer our monthly magazine "The Employers' Pioneer"—a busy down-to-earth publication that shows how to increase business.

#### Get a Free Copy of The Pioneer

See how Employers' Group agents are boosting their premium on all lines with our harmonizing advertising. Get a free copy of the latest issue of "The Employers' Pioneer." Write to the Publicity Dept.

The  
**EMPLOYERS' GROUP**



110 Milk Street, Boston, Mass.

THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LIMITED  
THE EMPLOYERS' FIRE INSURANCE CO. — AMERICAN EMPLOYERS' INSURANCE CO.

## COMPANIES

### G. & R. Would Protect Officers Against Litigation

NEW YORK—Stockholders of Globe & Rutgers, at the annual meeting April 22, will vote upon a proposed amendment to the by-laws, which corresponds to provisions that have been adopted by such institutions as Cities Service, American Airways, and Johns-Manville. So far as can be ascertained, it will be the first such provision in the by-laws of any insurance company. The amendment provides that the company shall indemnify each director and officer against any expenses reasonably incurred by him arising out of any claim, suit or proceeding in which he may be involved by reason of his having been an officer or director of Globe & Rutgers. The expenses comprehended include the cost of reasonable settlements made with a view to curtailment of costs.

The amendment stipulates that Globe & Rutgers shall not indemnify officers or directors for the cost or expenses if found liable in a suit or proceedings on account of dereliction in performance of duty. The right of indemnification, according to the amendment, shall not be exclusive of other rights to which any director or officer may be entitled as a matter of law.

In the call for the meeting the management states that no action against any director or officer is pending nor so far as is known is contemplated.

Other corporations that have enacted such a by-law were prompted by an action brought by a stockholder against the officers and directors of a corporation in New York two years ago. The stockholder sought to hold them individually liable for a course which it was alleged resulted in a loss to stockholders. The verdict was in favor of the defendant but the court held that the officers and directors were individually responsible for the cost of the litigation in the absence of a by-law to the contrary.

### Buckeye Union Advances Dodd

John A. Dodd, Jr., has been appointed assistant manager of the Buckeye Union Fire. He joined the staff a year ago and has been in charge of underwriting. He will serve as assistant to A. R. Gibson, vice-president and manager.

L. W. Gehring has been added to the staff of the claim department of the Buckeye Union and W. B. Sims to the underwriting department. Mr. Gehring was formerly with the General Exchange in Columbus.

### Central of Baltimore Prints

As part of the observance of the Central of Baltimore 75th anniversary an exhibition of old Baltimore prints and fire relics, dating back in some instances to Colonial days, was held. The prints were displayed on the walls of the first floor office and the mezzanine. The exhibition was very well attended and received much favorable comment.

### Adds \$500,000 to Surplus

The management of Pacific National Fire announces that additional surplus amounting to \$500,000 is to be contributed in order to place the company in a strong position commensurate with its rapid growth in premium volume. During 1939, \$750,000 was contributed.

### New Company at Columbia, S. C.

Catawba Fire is being organized by the general agency of McCants & Riley of Columbia, S. C. Capital is to be \$100,000. The principals in the general agency are R. M. McCants and G. Owen Riley.

At a fire prevention conference in Minneapolis April 29, called by the Min-

neapolis Junior Association of Commerce, with particular attention to multiple dwellings, speakers will be J. Burr Taylor, Western Actuarial Bureau, Chicago, on "Management's Responsibility in Fire Prevention," and Arthur Spottswood of the Minneapolis fire prevention bureau.

### Utica Fire, Not Utica Mutual

In an article in the April 4 edition, reporting the refusal of the Ohio department to grant a license to the Petroleum Underwriters Agency, Inc., of Marion, O., the secretary-treasurer of that agency

was wrongly identified as being general manager of Utica Mutual. He is the general manager of Utica Fire of Utica, N. Y. He is J. J. O'Neill.

### Southwest Winter Wheat Poor

Due to the lack of moisture in the last six months, winter wheat in the southwest did not come up until spring and the crop looks very unpromising. Whether the spring crop will be any better, nobody can predict.

The government all risk crop insurance has made a big dent in the business of the private hail writing companies.

Security of New Haven, which has been writing very little hail insurance in the last few years, has discontinued this line entirely.

### A. A. Fischer Succeeds Klein

ST. LOUIS—Al A. Fischer has been appointed manager of the fire department of the Lawton-Byrne-Bruner agency here.

Mr. Fischer has been assistant to the manager of this department. He succeeds Walter Klein who is now associated with the office as a broker and devoting his entire time to production.



In Winston-Salem, North Carolina, the R. J. Reynolds Tobacco Co., makers of Camel Cigarettes, operates the largest tobacco products factory in the world. Most jealously guarded of the company's assets are its priceless stocks of costly tobaccos, stored in warehouses for years of aging and mellowing to attain the perfection that only time can give.

Realizing that destruction or damage by fire of this tobacco treasure would mean a loss that only the passage of years could replace, Reynolds executives decided to install the most efficient method of fire detection and reporting available. After thorough study by the company's engineers, consultation with independent fire protection authorities, and comparison with other protection methods, the company's officials selected A.D.T. protection, not only for the tobacco warehouses, but also for the factories, office building and other units of its vast operations.

The services provided include: Sprinkler Supervisory and Waterflow Alarm, Aero Automatic Fire Alarm, Watchman Supervision, Manual Fire Alarm, and Burglar Alarm.

We are proud that, like many other leading enterprises whose names are household words of American business and industry, the R. J. Reynolds Tobacco Co. has entrusted its fire and burglary protection to A.D.T.

Controlled Companies of AMERICAN DISTRICT TELEGRAPH CO. 155 Sixth Avenue, New York, N. Y.  
CENTRAL STATION OFFICES IN ALL PRINCIPAL CITIES OF THE UNITED STATES



*Electric Protection Services*  
**AGAINST FIRE · BURGLARY · HOLDUP**  
A NATION-WIDE ORGANIZATION

## HELPING AGENTS HELP THEMSELVES



## ON TO WICHITA!

For the past several years representatives of The London Assurance Group have regularly attended the two yearly meetings of the National Association of Insurance Agents. We hope to be able to attend many more Annual and Mid-year meetings in the future, confident that such attendance will enable us to continue to help agents help themselves in sound, practical ways.

We never have lavish displays at these meetings and our Headquarter suites are never the most elaborate; for our hospitality is tempered by the knowledge that we, after all, are only guests of the National Association. And while it would be insincere to say that we do not attempt to project the story of our companies at these gatherings, we do believe that all our promotional efforts have been dignified and in good taste. They will continue to be so.

We feel that meetings of this type have distinct benefits. All agents need the broadening influence of contact with their fellow-workers. And all company representatives can profit from an increased understanding of the many problems confronting men and women on the firing line of the industry today.

To our many friends who plan to attend the forthcoming N.A.I.A. Midyear Meeting at Wichita, Kansas, we extend our warmest greetings and the sincere hope that they will not fail to visit with us once again.

### THE LONDON ASSURANCE

**THE MANHATTAN**  
Fire and Marine

**THE UNION FIRE**  
Accident & General

99 John Street



New York City

*This is one of a series of advertisements indicating the interest of The London Assurance Group in helping agents help themselves.*

## AS SEEN FROM CHICAGO

### TENANTS COMMITTEE MEETS

The committee of the Insurance Exchange Tenants Association of Chicago held a meeting to consider preparation of a report of lease proposals that have been made by R. C. Swanson, manager of the Exchange, and a number of other Chicago office buildings which seek to draw the Exchange tenants when the old 30-year leases run out in May, 1942. The committee has been in touch with Manager Swanson and it is understood some adjustment in the scale of rentals was proposed. A goodly number of tenants have signed new leases, without waiting to ascertain what is the best offer that can be secured from outside the Exchange.

### DUFFY NAMED LIFE MANAGER

Oscar Pofe & Co., Chicago, has been appointed district agent by Franklin Life in Chicago territory, reporting to F. J. Budinger, general agent. John E. Duffy becomes manager of the new life department. Mr. Duffy has been in life insurance work since 1928, first with the W. M. Houze general agency of John Hancock Mutual Life there, then with the former Hintzpetter agency of Mutual Life of New York for four years. Since then he has been connected with the Budinger agency and has been one of Franklin Life's leading agents country-wide.

The Pofe & Co. agency has been operated by Oscar Pofe about 15 years. He has been in the insurance business for 40 years. He was at one time special agent of the Continental of New York and later represented the London & Lancashire Indemnity. Mr. Pofe personally has been writing life insurance for about 25 years, placing it in the Mutual Life of New York.

### CITIZENSHIP LAW BACKFIRES

The amendment to the agents and brokers licensing law that was enacted at the last session of the Illinois legislature is proving to have unforeseen consequences. The amendment requires that the licensee be a citizen of the United States or have taken steps to become a citizen. This applies to non-resident as well as resident licensees. It bars the licensing of Canadians and Canada in retaliation bars Illinois residents who desire non-resident privileges in the Dominion. It works a hardship on some of the large Chicago brokerage houses that have business in Canada.

### GOLF INSTRUCTOR AT MEETING

Julian Strud, professional golf instructor at the Lake Shore Athletic Club, will present first-hand instructions on improving the golf game at the meeting of the Association of Fire Insurance Examiners of Chicago Thursday.

### INSTALL BUTLER AS PRESIDENT

W. C. Butler, newly elected president of Rockwood Company, general agency of Chicago, was installed at an inaugural breakfast this week. R. C. Carson, manager life department, introduced Frank P. Wood, president for many years, who was elevated to chairman. Mr. Wood was presented by Louis P. Cain, Sr., in behalf of the staff a fine gold watch. Mr. Wood then presented Mr. Butler, who gave a brief acceptance address. A business meeting was held, one of the features being the showing of "American Portrait," sound movie of the Institute of Life Insurance.

### FLEAGER HEADS LIFE DIVISION

Starkweather & Shepley, Chicago class 1 agency, will open a life department May 1 in A-1232 Insurance Exchange building. Sam B. Fleager has been appointed manager of the new department by L. D. Stitt, vice-president of Starkweather & Shepley. Mr. Fleager is a leading agent connected with the

Paul W. Cook general agency of Mutual Benefit Life in Chicago and will continue his close association with that agency and company. He has been a general broker for many years, specializing in business life insurance and writing life insurance for federal estate and state inheritance tax purposes. Starkweather & Shepley will represent leading life companies. There probably will be no attempt at this time to build a regular agency force, but the facilities will be used largely to handle the life insurance leads developed by the agency, which are mostly among the better class of prospects. It is understood probably one agent will be appointed to handle the smaller business.

Mr. Fleager is widely known in Chicago as a very successful producer. At one time he was associated with R. W. Hyman & Co. He has been in the insurance business for many years, having a broad experience in all lines including fire, casualty, life and accident.

C. L. Bloom, superintendent farm department Commercial Union group, Chicago, is spending the week in Oklahoma with Howard Pate, state agent, Oklahoma City. He will attend the meeting of the National Association of Insurance Agents next week in Wichita.

The Oscar W. Schmidt agency of Chicago has moved to larger offices, now being located in suite A-1859 Insurance Exchange building.

### Rating Organizations Hold Regional Meeting

WHITE SULPHUR SPRINGS—During the week that the Western Underwriters Association held its annual meeting here, the rating organizations held their inter-regional conference, the participants being Western Actuarial Bureau, Southeastern Underwriters Association and Eastern Underwriters Association. The Pacific Board had no representative present. The purpose is to bring about greater uniformity as to forms and clauses applying to large concerns that have properties throughout the country. There has been complaint that the variation in requirements causes much criticism.

### Haid and Erskine Attend

Meeting with the rating authorities were Paul L. Haid, president, and J. D. Erskine, secretary of the Insurance Executives Association.

Representing the organizations were R. D. Hobbs and R. M. Beckwith, Western Actuarial Bureau; Sumner Rhoades and D. Hinkley, Eastern Underwriters Association; L. T. Wheeler, Southeastern Underwriters Association.

Mr. Haid presided over the conference. R. R. Martin, Atlas, attended for the E. U. A.; E. A. Henne, America Fore, for W. U. A.; E. T. O'Beirne, Automobile at Atlanta, for S. E. U. A.

Participating in the conference also were W. J. Ward, manager New York rating organization; W. F. Roembke, manager Explosion Conference; J. R. Dumont, manager Interstate Underwriters Board, and W. B. Burchell, secretary Commercial Union.

### Fire Losses in March Fall Below 1938 Period

NEW YORK—Fire losses during March as estimated by the National Board, aggregated \$29,788,800, less by 13 percent than during February and less by 3 percent than during March, 1939. The addition of the March figures increases to \$100,459,700 the record for the first quarter of 1940, as against \$87,601,004 for the first quarter of 1939 and \$83,199,931 for the first three months of 1938.

## Employee Relations Should Come First

### Conick Tells General Agents Public Contacts Begin at Home

DALLAS—H. C. Conick, New York, assistant U. S. manager Royal-Liverpool groups, told the American Association of Insurance General Agents that the human equation is the most important factor in the insurance business and that increased attention to it is essential for continued progress in the fire insurance business. Speaking on "Where Do We Go from Here?" Mr. Conick said that the insurance business has been tremendously modernized during the past decade and that the most important job to be done is in the field of public relations.

The importance of personal contacts, Mr. Conick said, is indicated by the conservative estimate that from 75 to 90 percent of every premium dollar taken in by an insurer can be traced, directly or indirectly, to the influence of one person upon another.

#### Employees Must Be Satisfied

Saying that public relations, like charity, must begin at home, Mr. Conick recommended attention to relations with employees as the first step in any insurance organization's public relations program. Employees must have agreeable working conditions; they must feel that their jobs are secure if they carry out their duties properly; initiative and progress should be fostered and encouraged; top executives should be open and sympathetic to employees and pay should be in keeping with the duties performed.

Since an estimated 500,000 people in the United States derive their livelihood from the fire and casualty business, Mr. Conick said that proper public relations within the ranks of the insurance business will provide an army of that size to further proper relations with the public.

#### Outside Activities

After an insurance organization's own house is put in order Mr. Conick urged that it show an interest in civic and community affairs; foster friendly and serviceable contacts with assured to build up friendly relations and a better understanding of insurance needs and coverages; cooperate as far as possible with competitors in the stabilization of the business and perform according to promises.

Citing the example of the Florida school, Mr. Conick said that people in the insurance business are hungry for knowledge. He urged every general agency to institute a well defined educational plan to assist employees in improving their knowledge of insurance. Otherwise, he said, an employee cannot be expected to educate insurance buyers and prospects along constructive lines. Field men of general agencies should have a separate educational plan and an extremely intensive and thorough one.

### North Carolina Agents to Hear Boney and Bennett

The annual convention of the North Carolina Association of Insurance Agents will be held at the Robert E. Lee Hotel, Winston-Salem, N. C., April 28-30.

Among the speakers will be Commissioner Dan C. Boney of North Carolina, and Walter H. Bennett, general counsel, National Association of Insurance Agents.

Other addresses and speakers will be: "Production Problems in 1940," A. J. McDavid, state agent New York Underwriters, Raleigh; "The Agent and the Company," Vincent Cullen, president National Surety, New York; "Highway

Safety," H. R. Hocutt, director highway safety division North Carolina highway department, Raleigh; G. E. Allen, vice-president, Home of New York, New York City; "The Consumer Cooperative Movement," W. J. Evans, attorney Retail Merchants Association of Virginia, Richmond.

The entertainment program for Monday, April 29, includes bridge luncheon for ladies at Old Town Country Club; golf tournament at Forsyth Country Club for agents and company representatives; cocktail party, compliments of Mr. and Mrs. Bernard P. Carter, Richmond, and the annual banquet, with a floor show and dancing.

### Karrmann Elected Head of Accounting Association

KANSAS CITY—E. M. Karrmann, Indianapolis, was elected president of the Insurance Accounting & Statistical Association at its annual convention here. He succeeds J. L. Batchler, Kansas City. About 200 representatives of 100 insurance companies attended.

O. D. Seely, New York, was elected vice-president; R. A. Clark, Omaha, secretary-treasurer; D. J. Schonberg, Omaha, assistant secretary; R. H. Redus, Cedar Rapids, Ia., director, fire section; Burnell Miller, Bloomington, Ill.,

director, research division; Dann Munn, Rock Island, director casualty section; L. J. Hale, Kansas City, director life section, and J. P. Walker, Dallas, publicity director.

### Hillmuth to Newark Agency

E. A. Hillmuth, Jr., for nearly two years at the home office of the American of Newark, has resigned to become manager of the insurance department of Sargent Dumper, Inc., Newark agency. He has been in the insurance field since 1922 and has been with American & Foreign and General Exchange in addition to the American.



## Ask yourself this question

"If my client had an automobile accident 1,000 miles from home, would his loss be adjusted as quickly as if it had happened in front of my office?"... If placed in a company of Fireman's Fund Group, "Yes!"... Fireman's Fund was the first company to write automobile lines through agents on a nationwide basis, and has as its backlog, an accumulated experience of settling claims speedily anywhere in the country... By representing a company of Fireman's Fund Group, you can give your clients full protection and a loss service that follows wherever they may drive.

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## Missouri Leader Traces Deals of N. R. O. G. Agency

(CONTINUED FROM PAGE 3)

tion and the Missouri department in tracing them.

Administrative offices of the National Retailer-Owned Grocers, Inc., are in the Merchandise Mart, Chicago, the report states. It is a buying and administrative organization conducted for the benefit of its members, which consist of so-called "voluntary chains" of individually owned retail grocers who operate under various local trade designations, such as Associated Grocers (Kansas City), Kansas Service Grocers (Kansas), United Grocers, etc. It is understood that there are, roughly, 100 such independent chains representing an alliance of approximately 25,000 independent grocer retailers. These local volunteer chains operate through warehouses, and the warehouse ownership stock is owned by the individual affiliated retailers.

The type of charter, the ownership of stock, and the contract of membership make for a very flexible distribution of earnings. This method of distribution of earnings represents one of the keys to the entire insurance program.

The N. R. O. G. agency, operating from the same headquarters in Chicago, is a corporation whose stock is reportedly held, 5 percent by Martin Sands, president of the N. R. O. G., Inc., and president of the agency, 5 percent by John Drenth, manager of the agency, and 90 percent by N. R. O. G., Inc.

The agency was created to handle the insurance program that has encountered widespread criticism of organized agents and the interest of many insurance departments. It is reported that the insurance program has been introduced in over 20 states and that plans contemplate that it be spread to whatever possibilities of extension that prevail under additional state laws.

### FREE INSURANCE

One of the first expressions of the plan to receive attention was a bulletin released by the Associated Grocers of Kansas City, to its retail stores. That bulletin, under date of Oct. 16, 1939, carried the sub-caption, "FREE FIRE INSURANCE" and stated in the opening paragraph, "We are going to give each of our members free fire insurance to an amount equal to a month's purchases—from your own company . . . If you concentrate all your purchases to Associated Grocers, your free insurance will be maintained at a fairly uniform amount. . . . If you return too many goods, it will cut down the insurance allotted you."

The same bulletin went on to set forth in detail many other forms of insurance which can be purchased at a saving, and six applications for as many kinds of insurance were enclosed.

"Remember this insurance is available to your employees, provided we can charge it to your account. You can then collect from your employees," the bulletin stated.

The bulletin states that if the retailer has a customer to whom he has been giving insurance, "it may be expedient to continue with him, providing that you can afford to pay 25 to 50 percent more than through A. G.-N. R. O. G."

### District Office Established

The bulletin announces the establishment of a district office of the N. R. O. G. agency in Kansas City with George P. Whyte, Jr., in charge.

Another bulletin on Jan. 22 from the A.G. to retail members said that Walter Taylor would receive applications for insurance and again repeated the savings possible. It pointed out that premiums would be charged on A.G. statements and that "all insurance placed with N.R.O.G. is put in the very best companies."

Mr. Welsh and other leaders in the

association approached Mr. Whyte after determining that he held agency licenses, but no brokerage licenses, for four companies. He stated that he was new in the business, a salaried employee of the N. R. O. G. agency, that he knew nothing about any free insurance, that he issued policies in only those companies for which he was licensed and under filed rates and forms. He stated that orders came mostly through the A. G. warehouse and that irrespective of whether the order came from the retailer or wholesaler, the policies invariably were delivered to the warehouse; that he did not bill the retail customer or collect any premiums nor remit any premiums to any insurance company. Whyte either pled ignorance or refused to furnish answers to other pertinent questions, according to Mr. Welsh. "He repeatedly referred us to the warehouse manager, James Harline, or to his principal, John Drenth. He refused an invitation voluntarily to appear at an informal hearing to which we then intended to invite representatives of the insurance department. Later in the day he asked that we call Mr. Sands in Chicago at Sands expense, saying that Sands would furnish detailed information. We called Sands, who stated that Drenth was absent establishing the plan in New England. Sands assured us Drenth would be glad to answer all questions, and, if necessary, come to Missouri to review the matter with us in detail. Sands further stated he had noticed our published remarks anent this situation made from the platform of the state convention in Excelsior Springs, Mo. He said that in our suspicious questioning of Mr. Whyte as reported to him that we had evidenced that we didn't know what we were talking about; that he would hold us responsible to his organization for unwarranted remarks and actions, and that he had taken the precaution to record our conversation on the dictaphone. He indicated that the N. R. O. G. were large operators and that they had carefully investigated the legality of their operations, not only in Missouri but other states; that the best legal ad-

vice they could buy assured them the procedure in Missouri was legal.

"The conversation ended with his promise to have Drenth communicate with us with a view to coming to Missouri in the next 10 days or so. We haven't heard from Drenth since then (mid-December, 1939) by mail or otherwise."

"Almost immediately afterward we sought an interview with James Harline. We told him of our objections to the insurance plan as we understood it. We said we believed it violated good practice and probably violated sections of the Missouri statutes. We pleaded in the interest of good practice for his business and ours that he withdraw from participating on behalf of his local membership. He said he had thoroughly investigated the plan and had been assured of its legality and was positive of its appeal to his membership. We then asked the privilege of appearing before his executive committee. He refused. A few days later we invited Mr. Harline, over the phone, to an informal conference, at his convenience, with members of the Missouri insurance department. He said he would respond only on subpoena and would insist on being represented by counsel.

"After unsuccessful appeals to Whyte and Harline we had no recourse but to attempt to establish that there was a breach of the statutes.

### VEIL OF SILENCE

"The Missouri department exercised every legal resourcefulness in attempts to uncover any breach of statute. The fact that no policies ever, to our knowledge, were delivered to Missouri retailers, plus the veil of silence observed by retailers, warehouse personnel and their licensed agent, Whyte, brought the Missouri department representatives constantly up against blank walls.

"Finally, T. C. Mitchell, assistant attorney, and Phil Fable, chief rater, went to Chicago, well knowing that they were outside their jurisdiction, but seeking information through the cooperation of the Illinois department and Drenth. The Missouri Association had previously sought from the Illinois Association information on these operations that might be of assistance but they informed us they were unable to uncover any violation of statute. We understand that the Illinois department expressed themselves as satisfied with the pledge from the Illinois licensed agency (of the N. R. O. G.) that no violations were being made of Illinois laws, and that they could not properly point to violations of the Missouri laws. We understand that Drenth assured Mitchell and Fable that the so-called open form which was providing the unfortunately designed free insurance was in his opinion legal under Missouri laws, that it was written on a standard form of inland marine transportation policy in a stock company properly licensed in Missouri, but that he was respectfully refusing to give the name of the company because of the fear for reprisals against that company.

### Inquiry to Companies

"Mitchell and Fable, acting under instructions of Superintendent Lucas, with the assistance of Deputy Superintendent Fielding Sizer, sent letters to every fire and marine company licensed in Missouri inquiring whether the company was interested in any open form policy for N. R. O. G. Early in February every company replied negatively with the exception that several companies for which Mr. Whyte was licensed volunteered their undertaking of specific policies on specific properties for individual members, such policies being under prescribed rates and forms; plus the further exception of one large marine underwriter that furnished a photostat of an

ocean marine policy, which policy was not in violation.

"Mr. Whyte of Kansas City has his renewal licenses requisitioned by Employers Mutual Liability, Associated Fire & Marine of San Francisco, American Motorists, and the State Automobile Mutual of Columbus, O.

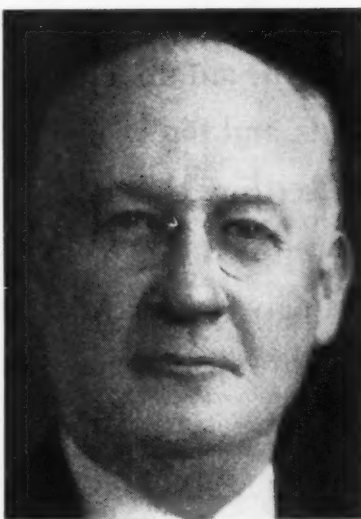
"We had previously determined that none of these companies were attaching on any form of open policy the so-called free insurance. However, we maintained that the operations of Whyte were not good practice and that the manner in which his office assisted in carrying out this program possibly made him a prime factor in alleged violations. It had previously developed that Mr. Whyte's office was issuing policies of specific insurance for retail members covering fire and various casualty hazards; that he delivered all policies to the Kansas City A. G. warehouse where the policies were held; that the retailer received only a card citing the outline of protection but blank of policy provisions or conditions, agent's signature, or any other orthodox expression of a valid contract. It had further developed that in lieu of the normal practice of premium reporting to companies or principals, Mr. Whyte made a monthly report to the N. R. O. G. agency in Chicago, which report cited the name of the insured retailer, address, warehouse through which he reported, amount and type of insurance, the insuring company, date and premium. It had further developed that the N. R. O. G. Agency billed these items to the N. R. O. G., Inc., who in turn billed items to the proper jurisdictional warehouse. The warehouse then billed its members. The member paid the insurance items thus billed along with his regular warehouse grocery account. The warehouse remitted to the N. R. O. G., Chicago, who in turn paid the N. R. O. G. Agency. Periodically, the incorporated agency paid stock dividends, and in the movement of these dividends the N. R. O. G. came into possession of 90 percent of the controlling stock of N. R. O. G. Insurance Agency, Inc. This with other earnings from the purchase and resale of food commodities were passed on to member warehouses, each in proportion to its holdings in the national concern; which proportion, we understand, was a measurement which varied with the amount of purchases. In the same manner the warehouse reflected earnings or dividends back to the member grocer.

"Mr. Whyte's licenses were not renewed March 15 by Superintendent Lucas.

### ASKS RELICENSING

"Shortly thereafter Drenth and Whyte appeared at the department, and, we understand, pled that their practices in Missouri were in their opinion completely within the law, but that in any event they desired to conform to both the letter and the spirit of the law as interpreted by the department. Being informed that further consideration of the relicensing of Whyte or other representatives of the companies participating in this program would necessarily be preceded by more frankness than had thus far prevailed (so we understand), Drenth volunteered his willingness to discuss the subject with complete frankness with the exception of his pledge to strict confidence on the score of the name of the carrier of the free insurance. He further stated, according to report, that he would seek a release from that confidence. Meanwhile, it is understood, he stated, some undertakings in Missouri had been through the medium of non-licensed carriers; specifically, a fidelity form with Lloyd's London; he admitted his oversight in securing a proper license and making a proper tax return in Missouri on such transactions, and further recognized the need that the N. R. O. G. Agency, through himself, possess a Missouri broker's license to permit the flow of insurance transactions and premiums

### Manager of Oil Pool Gives Address in Dallas



H. M. CARMICHAEL

H. M. Carmichael of Chicago, manager of the Oil Insurance Association, is giving an address at the annual meeting of the American Association of Insurance General Agents at Dallas this week. Mr. Carmichael has rarely made public talks about the work of his organization and hence what he has to say will be of especial interest.

inter-state; he explained his willingness to make application for such licenses and to pay earned back taxes.

"Shortly thereafter, it is reported, Mr. Drenth said he had obtained a release from his pledge of confidence to the company on free insurance, and that the company was the Rhode Island.

#### Inland Marine Policy

"When Drenth named the Rhode Island, the department wired the Rhode Island home office, requesting a photostat of the named cover. The wired reply from the company indicated no record of such cover. The company later advised the department it had discovered the policy as one being issued in its inland marine department. A confirming letter explained that its independent inland marine department was located in New York City and that the policy was Rhode Island TR 2172, effective Aug. 1, 1939. It was issued through the San Francisco general agency of Cravens, Dargan & Fox. The letter was accompanied by a photostat of the policy. The letter stated that the attached photostat included all endorsements, but there was no endorsement showing the names of member warehouses who were referred to in the form as being named or to be named. The letter was over the signature of R. C. Weigel, vice-president and secretary.

"The letter further stated that the form was intended to cover foodstuffs on consignment but the form attached refers to foodstuffs of all descriptions owned by the assured or retailer without specific mention of kinds of goods. The rate in the policy is listed 5 cents per \$100 valuation per month. We assume that this refers to the warehouse inventory valuation which presumably reflects exposure in retail member stores. The base policy covers against usual transportation perils but is extended to cover fire and lightning while in possession of the retailer.

"An extended form is attached and reference is made that if that form isn't proper in all jurisdictions then whatever extended cover form is proper is presumed to attach. The form covers goods while on the trucks of the retailer but not while in course of retail delivery. A specific endorsement extends the transit cover to goods while being transported to prospective members, but no protection exists on the goods in premises of prospective members. The presumption is that this is to take care of transit cover to non-members served by warehouses. The rate is 1 cent per \$100.

#### Essentially Excess Cover

"The repeated use of the phrase free fire insurance evidently results from the fact that the retailer is not billed or otherwise asked to pay for this insurance. It is presumed, therefore, that the warehouses pay this premium and therefore make a gift of the protection to the retailer.

"Weigel's letter says that the intent of the policy was essentially excess cover over presumed specific primary, but in several bulletins issued by the warehouse no mention was made of the excess feature, and the Rhode Island forth is primary where no specific prevails. No coinsurance provision is noted, placing the retailer in possibly innocent violation of his coinsurance responsibilities and without evidential record of a policy contract to substantiate a claim he might attempt under that form.

"It has been mentioned that Whyte was licensed for the Associated Fire & Marine. Whyte is reputed to have stated that he had written specific insurances in that company, and that he also had written specific insurances in Houston Fire & Casualty. On comment that the latter company was not licensed in Missouri, he volunteered that he only used that company in Kansas and Oklahoma. At the suggestion of H. P. Frantz, president of the Oklahoma association, Jess G. Read, Oklahoma commissioner, wrote the Houston company on this risk in Oklahoma. It is significant that the company notified

Read March 6 that they had a few certificates on the books on risks issued through Cravens, Dargan & Fox of San Francisco, which agency advised that all liability in that company (Houston) had been terminated March 1. It is significant that the Cravens agency is shown as general agents for the Rhode Island and Houston Fire & Casualty.

"We maintain that no matter how completely an insurance premium became intermingled with bookkeeping entries of foodstuffs that still the item was originally, then continuously through transactions, and ultimately an insur-

ance premium, and that sections of the statutes on discrimination and rebating continue to prevail throughout the intermingling."

#### Baker Heads Shoe Dealers Mutual

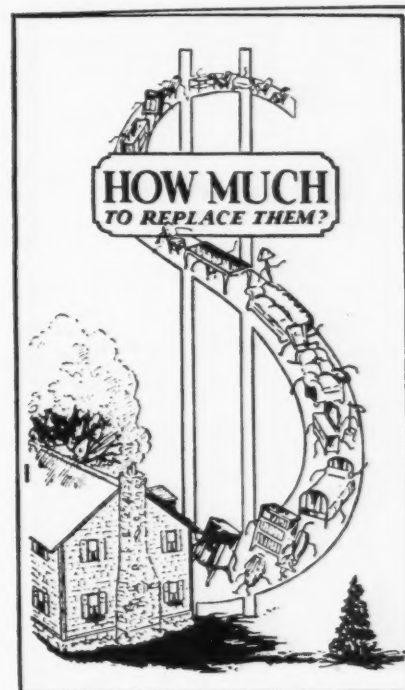
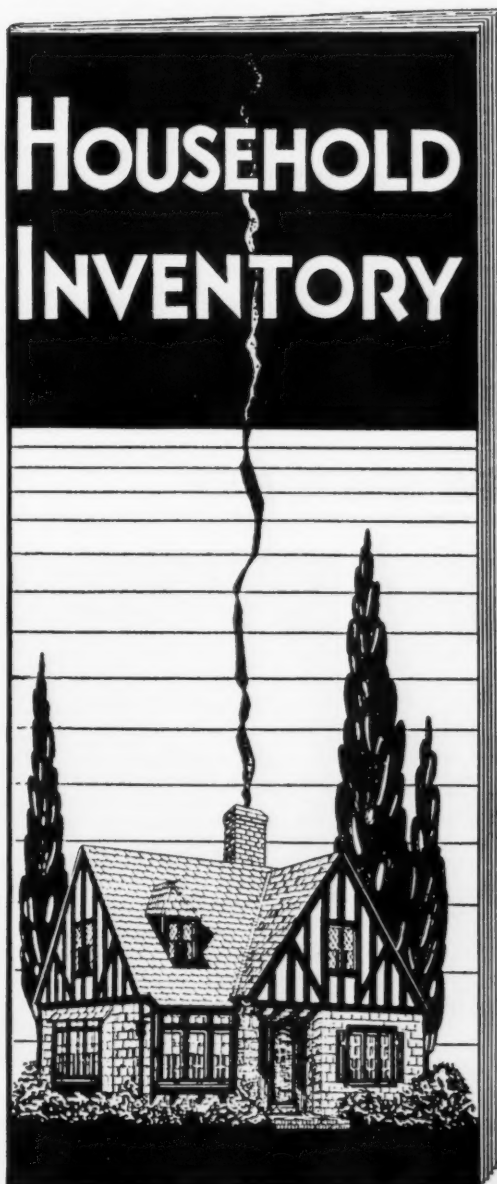
LANSING, MICH. — Luther H. Baker, first vice-president of the Michigan Millers Mutual Fire, has been elected president of the affiliated Michigan Shoe Dealers Mutual Fire, succeeding the late Albert Murray of Charlotte. Mr. Baker had been secretary-treasurer of the shoe mutual for 18 years and is succeeded in that post by his former

assistant, L. B. Tobey. Edward Stocker, Detroit, was named chairman of the board, and S. J. Jay, Detroit, vice-president. Mr. Baker is president of the Federation of Mutual Fire Insurance Companies.

#### No Decision on Participating Issue

OKLAHOMA CITY—After hearing both sides in the controversy over issuance of participating policies by stock companies, the Oklahoma insurance board gave each side ten days to file briefs. The General of Seattle is the company chiefly affected.

YOUR choice of several tested selling letters . . . for use with this Household Furniture folder . . . Inside includes an imitation blueprint with space for resident to insert estimate of value for contents of each room.



A complete Household Inventory book—for followup on prospects developed by letters and folders.

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## NEWS OF FIELD MEN

### Aetna Fire Makes Promotions

HARTFORD—William T. Lepper, who has been Connecticut state agent of Aetna Fire, has been promoted to general agent, associated with Assistant Secretary Tudor Jones in the country-wide management and development of the automobile department.

State Agent Albert L. Martin has been promoted from Albany to Hartford where he will have charge of Connecticut and western Massachusetts. State Agent Arthur K. Andrews has been promoted from Syracuse to Albany, succeeding Mr. Martin.

#### A. C. Kenyon Assists Andrews

Arthur C. Kenyon has been appointed special agent in Albany to work with Mr. Andrews, and Richard M. Hooker has been appointed state agent at Syracuse to succeed Mr. Andrews.

Mr. Lepper has spent his entire business career with Aetna Fire. He entered the service in 1914 and advanced through various departments, including the loss department where he was appointed adjuster in 1929. In 1931 he was appointed state agent for Vermont and shortly after New Hampshire was added to his territory. In 1938 he returned to Connecticut as state agent.

Mr. Andrews joined Aetna Fire in 1921, was appointed examiner in 1926, and in 1928 was promoted to special agent and assigned to New Jersey. Ten years later he was advanced to state agent for central New York state with headquarters at Syracuse.

Mr. Kenyon is one of the younger men who has been intensively trained at the home office. He is a native of Hartford and a graduate of Dartmouth College. His appointment as special agent marks his first field assignment.

Mr. Hooker attended Syracuse University and has spent his entire business career in New York state, principally in the central portion. He has been an inspector and rater with the New York Fire Insurance Rating Organization and for the past few years has served as special agent for Fireman's Fund.

#### DeGruchy Succeeds Wyman

Andrew Wyman has resigned as special agent for North British & Mercantile with headquarters in Hartford to join the agency of Dewick & Flanders in Boston. After graduating from Harvard 15 years ago he went with Fireman's Fund in Boston. Later he was connected with the New York office of the Eastern Underwriters Inspection Bureau and in 1930 went with North British. He first traveled with headquarters at Boston and later at Hartford, covering northern Connecticut and western Massachusetts.

Mr. Wyman is succeeded by P. A. DeGruchy, who was formerly assistant in the Boston metropolitan department. He has been with North British 16 years and has been at the Boston office since 1936.

Arthur C. Foote, formerly located at the home office, is made inspector in the Boston office.

#### W. L. Schollander to N. C.

The St. Paul Fire & Marine group has appointed Wendell L. Schollander special agent in North Carolina to assist State Agent R. W. Carter, with headquarters at Charlotte. Mr. Schollander has been employed in various departments at the home office for several years. He is a son of O. A. Schollander, long state agent in North Dakota for the St. Paul.

A. D. Sills, special agent America Fore, has returned to his home in Oklahoma City after attending the funeral of his brother, H. W. Sills, in Liberal, Kan.

### Montana Field Men Gather in Butte

BUTTE, MONT. — At the annual meeting of the Montana Blue Goose here H. H. Alair, Great Falls manager Fire Companies Adjustment Bureau, was elected most loyal gander, succeeding H. L. Bunker, who was named grand nest delegate with Mr. Alair as alternate. S. J. White, Butte, Pacific Board, was named supervisor; Larry Diringer, Great Falls, Home of New York, custodian; George Flint, Kalispell, American of Newark, guardian; S. L. Hjermstad, Great Falls, America Fore, keeper; H. L. Reilly, Great Falls, New York Underwriters, wielder.

#### Speakers at Banquet

The Montana pond recently was incorporated. The meeting concluded with a banquet attended by over 40 members and guests. F. J. Sullivan, deputy most loyal grand gander, Butte, E. W. Trenbath, Seattle, C. R. Kerns, R. B. Anderson and H. B. Speer, all of Spokane, spoke. W. E. Rae, Havre, was toastmaster.

At the semi-annual meeting of the Montana Special Agents Association, President W. G. Bloomdahl presided at all sessions.

Previous to the fieldmen's meeting, members of the Montana Association of Insurance Agents' rural agents committee met with the special agents' farm committee, with Secretary H. F. Badger, Pacific Board, C. W. Cook, district secretary, and F. J. Sullivan, assistant district secretary, Butte, taking part in the discussion of a proposal to revise farm property rates with photographs and surveys of all risks insured.

#### Confer with Pacific Board Men

The executive committee of the Montana Special Agents Association also conferred with representatives of the Pacific Board, recommending adoption of the proposed schedule for rating dude ranches in Montana, application of a frame mercantile schedule to only protected risks, rate revisions for dwellings in certain protected cities, term privileges for protected frame moving picture theaters, and reduction in fire rates

for roadside restaurants and beverage parlors, other than roadhouses.

Reports were made by various committees. A vote of thanks was given to Chairman C. A. MacNeill of the Business Development committee for his work.

Importance of the Business Development educational program was stressed by H. P. North, Pacific Coast B.D.O. manager, in addressing the special agents. Wide interest was displayed in the movement in Montana to fight against the consumers cooperative movement.

Mr. Badger discussed the results of the stabilization of fire insurance rates in Montana, public relations activities and commented upon rating problems.

Commissioner Holmes and A. C. Parsons, state fire marshal, were in attendance.

Anderson S. Joy, Seattle manager Travelers Fire, introduced Hugh McDonald, special agent, who was recently assigned to Montana.

### Bay State Club Has Notable Speakers

BOSTON—The Bay State Club of Boston presented a gala program at its April meeting, with addresses by J. R. Knowlan, Philadelphia, most loyal grand gander of the Blue Goose, and R. C. Dreher, advertising manager Boston and Old Colony; motion pictures in color of Boston's new water supply system and talks by New York company officials, with members of the Blue Goose as guests. In addition, a four-alarm fire which blazed through the roof of a six-story building directly under the windows of the building where the meeting was being held provided an exciting and lurid glare.

Mr. Knowlan spoke on the work of his organization. Mr. Dreher discussed the education of the public through advertising, and an employ of the Boston Metropolitan Water Supply Commission showed pictures of the Quabbin Basin project. Leroy T. Brown, secretary America Fore, discussed schedule rating in brief and outlined plans of the New England Fire Insurance Rating Association. C. D. Sheffe, assistant manager London Assurance, was also present as a guest.

The nominating committee reported the following slate of officers to be voted on at the annual meeting in May: For

president, Lynn P. Marsh, Home; vice-president, Carl E. Hurst, Equitable Fire & Marine; secretary, H. M. Estabrook, Fire Association; treasurer, Edward Martin, Scottish Union.

Under the club's program of public relations, W. T. Jordan, Fidelity & Guaranty Fire, will address the Kiwanis Club in Fitchburg April 22. H. M. Estabrook, Fire Association, will speak before the Newburyport Board April 24. Frank Humphrey of Boit, Dalton & Church addressed the Conference Club of Boston on the problem of direct writing company competition.

### Gilsdorf to Be Honored on Move to Head Office

COLUMBUS—W. J. Gilsdorf, executive state agent North America, will be tendered a testimonial dinner May 6 by the Ohio Blue Goose prior to his taking up home office duties with the North America at Philadelphia. He is one of the outstanding field men in Ohio and held in high regard.

He is a native of Toledo who entered the insurance business at Louisville in 1906 on the staff of the Kentucky Inspection Bureau. He was appointed manager in 1908 of the bureau's Lexington office. From 1910 to 1917, he traveled Kentucky and Tennessee as state agent of the State of Pennsylvania, Commercial Union and Scottish Union & National, and for a time was special representative of the Western Factory.

In 1917 he was transferred to Columbus as Ohio state agent of Scottish Union & National, in 1919, he entered the local agency business with Lenihan & Co., Cleveland, and later became associated with L. E. Falls in the Falls & Gilsdorf agency. He was appointed state agent of the North America companies at Cleveland in 1922, a short time later being made executive state agent at Columbus for the group, succeeding R. P. Hare, who had been named assistant manager of the western department at Chicago.

Mr. Gilsdorf has served in an official capacity practically every insurance organization in the state. He is a director of the Insurance Federation of Ohio, past most loyal gander Ohio Blue Goose, past president Ohio Fire Underwriters Association and Fire Prevention Bureau, and was the first chairman of the B.D.O. committee for Ohio, organizing the work.

The dinner for Mr. Gilsdorf will follow the annual meeting of the Ohio pond. T. O. Dye, Connecticut Fire, retiring most loyal gander of the pond, will be toastmaster.

One of Mr. Gilsdorf's three sons, Norman W., is special agent of the Marine Office of America at Cleveland. A daughter, Mrs. F. A. Jettinghoff, Mt. Vernon, Ill., is the wife of the southwestern Illinois state agent for the North America.

### Minnesota Field Rearranged

Northwestern Fire & Marine, Twin City Fire and Citizens Insurance, have rearranged their Minnesota field staff. Special Agent Maurice W. Strouts has been transferred to southern Minnesota and Guy McLean named special agent in northern Minnesota. Special Agent H. O. Munson will continue to supervise central Minnesota. Mr. Strouts will be available for special service in other parts of the state as well. Mr. McLean joined the home office in 1926 and worked his way to an examiner's desk. He has also had some field experience in North Dakota.

### Buffalo Names Dieck in N. J.

George E. Dieck of Newark has been appointed special agent for New Jersey by Buffalo.

### Town Inspections Scheduled

Town inspections scheduled in the middlewest in the near future include Aurora, Mo., April 24, with H. K. Rogers, Western Actuarial Bureau, as the speaker; Thief River Falls, Minn.,



RAYMOND C. DREHER



J. R. KNOWLAN

Two prominent speakers appeared before the Bay State Club meeting in Boston last week. R. C. Dreher, advertising manager Boston and Old Colony, gave a talk on the use of insurance advertising in moulding public opinion. J. R. Knowlan of Philadelphia, most loyal grand gander of the Blue Goose, told about the work of that order. He is connected with A. R. Schmidt & Co., map surveys.

April 25; Ogallala, Neb., April 24, with J. Burr Taylor, Western Actuarial Bureau, as the speaker; Richmond, Ind., with R. E. Vernor, Western Actuarial Bureau, speaking; Bismarck, N. D., May 14-15; Tower and Ely, Minn., May 23. An inspection of Belmond and Garner, Ia., was conducted April 16.

#### N. C. Field Conference Elects

GREENSBORO, N. C.—At the annual meeting of the North Carolina Fieldmen's Conference these officers were elected: Godfrey Cheshire, state agent Fidelity & Guaranty Fire, chairman (reelected); S. L. Smith, W. N. H. Smith & Sons general agency, vice-chairman, and Mrs. Margaret W. Yates, secretary (reelected). The executive committee will be composed of John W. McAlister, Mebane & McAlister general agency; M. L. Fuller, Atlantic Fire; J. C. Leech, Security; C. D. Arthur, North Carolina Home, and J. W. Blake, North America.

#### Promote Harmon's Candidacy

Some of the members of the Illinois Fire Underwriters Association especially residing in the central and southern parts of the state are promoting the candidacy of R. J. Harmon of Springfield, Ill., associate state agent of the Home, for a place on the executive committee this year.

#### Fireman's Fund N. Y. Changes

Richard M. Hooker, special agent Fireman's Fund in central New York, has resigned.

L. D. Goulding, Jr., who has for many years supervised western New York, will have jurisdiction over that field in addition to his present territory.

He will be assisted by E. C. Haselton who has been with the Fireman's Fund for several years, advancing through various positions in the underwriting department, and now becomes special agent.

#### Pearl Moves Pittsburgh Office

The Pittsburgh office of Pearl has been moved to 511 Commonwealth building. The office is in charge of Executive Special Agent E. Roy Frey, assisted by Special Agents A. G. Trager and W. H. Mell. It supervises Allegheny county, western Pennsylvania and West Virginia.

#### N. J. Field Club Dinner

The New Jersey Field Club will hold a dinner meeting in Newark April 22. Harry Morton, director of the public speaking class sponsored by the club, will talk on "Public Relations and the Special Agent."

#### Hoffman Retires After 47 Years

E. H. Hoffman, special agent for Northwestern National of Milwaukee in northern Wisconsin and upper Michigan, for 47 years, has retired. E. P. Koepke succeeded him.

#### Dobbins Adds Illinois Field

C. R. Dobbins, Indiana state agent of Reliable of Dayton, has added Illinois to his territory, replacing John B. Tetlow, who has been made Illinois special agent for Merchants Fire of New York. Mr. Dobbins has already begun his work in the Illinois field.

#### Kentucky Field Meets June 12-13

The Kentucky Fire Underwriters Association will hold its semi-annual meeting June 12-13, at Mammoth Cave, Ky. The Kentucky Fire Prevention Association and Kentucky Blue Goose will hold

their annual meetings at the same time and place.

#### Blue Goose Luncheon in Fargo

Blue Goose members in Fargo, N. D., held a luncheon there. R. W. Swanson, America Fore, was chairman of the meeting, and speakers were M. T. Hower, Royal-Liverpool, and F. A. Nelson, Norwich Union. About 25 attended.

#### Plan Information Please Program

An "Information, Please," program will be held at the monthly meeting of the Smoke & Cinder Club in Pittsburgh April 22. Thomas G. Ogburn, North America, will preside.

#### Knowlan, Malcolm in Montreal

The Quebec Blue Goose held an initiation in Montreal. Representing the grand nest was J. R. Knowlan of Philadelphia, most loyal grand gander, and C. J. Malcolm, Toronto, grand guardian.

#### Johnson Takes on Wisconsin

NEW YORK—Robert K. Johnson, Illinois state agent for Globe & Rutgers, will assume jurisdiction over Wisconsin as well, retaining headquarters in Chicago. E. H. Shoemaker, who has been associated with Mr. Johnson in Illinois, will henceforward make his office at Milwaukee.

#### South Dakota Meetings

The Sioux Falls puddle of the Dakota Blue Goose at its meeting last week heard Pierce McDowell, vice-president and trust officer of the Northwest Security National Bank, who spoke on "Wills, Trusts, Estates and Inheritance Taxes."

#### Home Group's Field Shifts

C. D. Winn, 3rd, has been appointed a special agent in Philadelphia by the Home. Previously he was special agent in Virginia for the National Liberty of the Home group.

S. T. Lucas, becomes special agent in Virginia for the National Liberty, assisting State Agent C. T. Lloyd. He previously travelled the state for the Travelers Fire.

#### NEWS BRIEFS

The Oakland puddle of San Francisco Blue Goose is staging a big ceremonial dinner and floor show April 19. Arrangements have been made for about 300, with many from San Francisco participating.

The new sealed beam lighting system for automobiles, recently perfected, was explained to the San Francisco Blue Goose by M. C. Hixon of General Electric, with slides and demonstrations.

George W. Clarke, insurance attorney, addressed the Seattle Blue Goose on "Property Damage Liability Resulting from Spread of Fire."

H. L. Betts of the New York Fire Insurance Rating Organization spoke on schedule rating, before the Albany (N. Y.) Field Club.

#### Travelers Quits Oil Pool

Travelers Fire and Charter Oak Fire have resigned from the Oil Insurance Association and the Texas Oil Insurance Association. The participation of these companies has been absorbed by the other members of these pools. It is understood Travelers intends to develop oil business independently.

In addition to the Oil Association, the market consists of the John G. Simmonds group and Cravens, Dargan & Co. of Houston, which uses National Union Fire as the carrier.

#### Nebraska Bureau Moves

The Nebraska Inspection Bureau has moved to the second floor of the Masonic Temple building, Omaha.

The Columbus, O., office of Appleton & Cox, marine underwriters of New York City, is now located at 51 North High street.

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## NEW OFFICERS OF WESTERN UNDERWRITERS ASSOCIATION



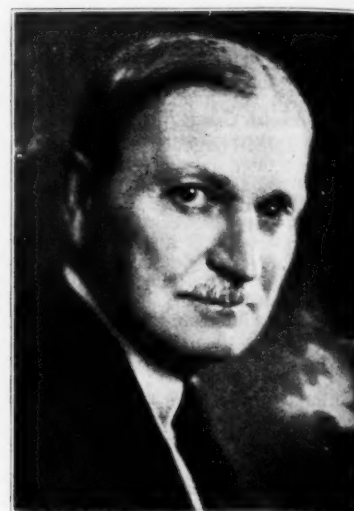
C. H. SMITH, Hartford Fire  
New President



W. N. ACHENBACH, Aetna Fire  
Vice-president



S. M. BUCK, Great American  
Retiring President



CHARLES F. THOMAS, Chicago  
Manager

### W. U. A. Holds Annual Convention

(CONTINUED FROM PAGE 1)

president. R. D. Safford of Hartford, vice-president of Travelers Fire, who has been second vice-president was re-elected to that position. C. F. Thomas continues as secretary and manager.

J. C. Harding, senior ex-president, presented the nominating committee report. Robe Bird, who retired as western manager of American, was elected to honorary membership. H. F. Ogden, chief executive officer of Fidelity & Guaranty Fire, was elected to active membership.

John L. Mylod, North British, presented the memoir for F. A. Gantert, president Fidelity & Guaranty Fire; F. W. Koeckert, Commercial Union, for Alfred Stinson, vice-president Automobile; Paul Sommers, American, for C. M. Kerr, president of Farmers of York.

Inasmuch as many members feel some definite action should be taken to improve conditions at Chicago, and were pressing the Chicago committee for action, Manager J. S. Glidden of the Chicago Board was asked to be present for consultation.

#### Public Relations Report

The public relations committee report was read by Chairman J. C. Harding. It was stated that constructive work could well be done by researches and studies of an internal nature with respect to the merchandising end of insurance, including possible cost adjustments, more salable contracts, new and undeveloped markets, and sales methods. It was suggested that modest machinery be set up to explore new fields, devise and test new forms and contracts. It was stated that negotiations with trade groups would be far more effective if special machinery were established to explore the special insurance needs of these occupational people. The public relations factor of the W.U.A. would be greatly enhanced thereby. The W.U.A., it was pointed out, has done pioneering successfully in other lines and it was urged that experimental work be done in this direction.

The report stated that while the average price paid for fire insurance in W.U.A. states with Missouri excepted decreased about one fourth during the 30's there was an increase of 2 percent last year. It was asked whether this was an actual rate increase or the result of an increase in the average term of policies. Attention was called to the fact that in the decade just ended there were increased expense and decreased loss ratios. The interrogation was made as to whether fire insurance is approach-

ing that ideal of service where the bulk of the premiums is spent for prevention rather than indemnity, as, for example, in some forms of casualty insurance.

The committee asserted that a careful study of commissions might well be made. Prominent insurance buyers take the position that the existing scales provide excessive compensation for large premium risks. Other thinkers hold that the scale is not sufficient to assure proper service, solicitation and inspection of small risks. The report stated that figures from the Argus Chart for last year showed stock companies received 87.17 percent of the net premiums leaving out factory and farm mutuals. The question was asked whether it was possible that stock companies enjoyed more than 90 percent of small mercantiles, dwellings and other small risks but only 50 percent of the larger risks.

#### LOSS ADJUSTMENTS

W. K. Maxwell of Chicago, vice-president in the western department of the Hanover and chairman of the committee on cooperation in loss adjustment practices, found last year was quite satisfactory as in respect to efficiency of service and cordiality as to relations. He stated that the number of claims adjusted by the Western Adjustment in 1939 was 270,037. An increased loss frequency was reflected for all classes in W.U.A. territory amounting to 6 percent. The fire claims were 78,736, automobile 87,307, wind and hail 94,109, inland marine and aircraft 9,885. It reported that 87 percent of all claims were less than \$1,000. Fire losses last year, Mr. Maxwell reported, were higher both in number of claims and dollars of loss paid. Aside from the Calumet Elevator loss in Chicago, the automobile accessory business sustained several bad losses. Wholesale grocery warehouses and other mercantile stocks came in for higher losses than usual. Windstorm and hail losses were heavy, there being some 30 severe storms.

#### Underwriters Adjusting's Record

The Underwriters Adjusting last year handled 106,533 claims. Its fire claims were 36,059, automobile 30,295, wind and hail 38,340, inland marine 1,839. Its experience as to increased loss frequency and larger fire claims, wind and hail, was quite similar to that of the Western Adjustment.

The subject of loss adjustments under

policies having unearned premium endorsements attached was referred to the committee with the suggestion that a plan be worked out in adjustments that would eliminate some of the disturbing elements that had been apparent. A uniform basis was determined whereby the loss on property damage and loss under the unearned premium endorsement would be properly included for each company under one proof, regardless of the number of companies interested or the amount and date of the policy inception. The committee made a further recommendation for proper and active consideration as to the reinstatement of policy values and premiums on conclusion of the loss adjustment. The following uniform plan has been established by both of the loss bureaus:

#### Uniform Plan Established

1. When policies are reduced by the payment of loss or by the payment of loss including the application of a coinsurance, average or other clause, reducing the amount to be paid by the companies, adjusters are requested to explain to the insured and his designated local agent the necessity of bringing the insurance back to an amount that will afford ample protection should another loss occur.

2. In adjusting small losses under policies that do not contain a coinsurance clause, an insufficient amount of insurance to afford proper protection is found. Both the insured and his designated local agent's attention should be called to this condition suggesting proper remedies. Under no circumstance is the adjuster to express an opinion favoring any particular stock company or agent.

3. One of the hardest things to explain to the public is a non-concurrent apportionment in the forms of his policies. Usually the fault is due to the agent rather than the assured. When adjusters are confronted with non-concurrency, particular pains should be used to explain the situation to the insured and his designated local agent.

#### Automobile Loss Situation

Chairman Maxwell, in commenting on the automobile loss situation, said that due to the fact of constant increasing number of claims, it is worthy of special consideration and analysis. He explained the plan the Western Adjustment follows in its A.I.X. code system in order to exchange information by use of codes on undesirable features.

The moral hazard involved in the burning of cars, Chairman Maxwell designated commercialized thievery. The human element in connection with collision losses has made it necessary to augment adjustment work with addi-

tional activities and investigation. The Automobile Protective & Information Bureau has been very effective. At the time the bureau was established, not a police department had a special automobile theft division. Now every city of any importance in the west has these specialized facilities, all of which were established through the efforts of the bureau. An important achievement was the development of the heat process for restoring original motor numbers, also the acid process for application on steel.

#### Accident Prevention Work

On account of the serious loss situation created through the increased writing of collision insurance, it was considered advisable to supplement the Protective Bureau's activities to include accident prevention work. Another important phase of the Protective Bureau is the compilation of drivers' records. During the past year, the report stated, a demand arose for broadening the bureau's activities to include investigation of suspicious automobile fire losses. He said that 70 percent of these investigations were in southern New Mexico, Oklahoma, southern Missouri, Kentucky and Tennessee. It was found that 81 percent were on old model used cars which were oversold and overfinanced. The report stated that while it has been difficult in many cases to secure punishment, due to suspended sentences, it is definitely noticeable in these localities the good moral effect and decided decrease in fire losses that have been brought about.

#### Subrogation Procedure

Chairman Maxwell called attention to the fact that subrogation has now become a very important part of adjustment work. Each year brings new and more difficult angles. Each adjustment bureau has a different plan of handling these claims. The Western Adjustment has established a subrogation department, which is composed of men with legal training. Attorneys are definitely instructed to incur no court costs without proper authority. A few years ago 50 percent settlements were about the average, the report said. Material improvement in this respect is apparent each year in securing much better results.

In connection with litigation of fire claims, an insurance attorney was quoted, he saying that only a fraction of 1 percent of the total claims on fire policies result in litigation or even resort to arbitration. Thousands are settled and paid without any dispute. The cases which are litigated, he added, are usually of highest importance to the companies and public, for through court rulings,

decisions are rendered which involve the principles and rules upon which the continued success of the insurance business depends.

Litigation, the attorney said, generally arises from:

1. Honest differences of opinion as to the coverage or amount of claim.
2. Claims presented which are, or thought to be, dishonest in their nature.
3. Disputes between companies as to the liability of each when there are two or more companies on a risk with conflicting form of contract.

Chairman Maxwell in the report said, in view of the continued broadening of the types of coverage and forms written by companies today, the need was never greater for members to give full support to the adjustment bureaus through the assignment of losses to them.

## PRESIDENT'S REPORT

President S. M. Buck in his address stated that although the business seems to be nearing the end of low loss ratios, the pressure on rate levels continues, especially on fire lines. Continuing he said:

"While the information on last year's operations is not available in form for breakdown by groups of companies by states and as to liabilities, we know that for all stock companies, including direct writing, reinsurance and full cover automobile, countrywide, the loss ratio on a written basis, for fire premiums only, was 42.1 percent as against 38.5 percent for 1938, a percentage increase of 9.35. The loss ratio in 1939 on all collateral or accessory lines was 40.9 percent, a decrease from 1938 of 12.9 points, or 23.4 percent.

### Accessory Lines Gained

"The accessory lines gained 18.2 percent in volume, and the decrease on fire business only was 2.6 percent. The reasonable probability is that the experience in our field will follow generally the outlines of the countrywide record.

"Of the countrywide premiums of all companies (stock, mutual and reciprocal) all classes of business except full coverage automobile, the stock companies in 1938 had 86.99 percent, and in 1939 87.17 percent.

"The mutuals in 1938 had 12.02 percent and in 1939, 11.96 percent.

"Reciprocals and Lloyds in 1938 had .99 per cent, and in 1939 .87 percent.

"Records," he said, "are not yet available from which a similar break-down for 1939 can be made by states in our jurisdiction, but we do have 1937-1938 comparisons for our 15 states on a basis excluding premiums of Farm Underwriters Association, hail on growing crops, reinsurance and specialty automobile companies, as follows:

	% of total 1937	% of total 1938
W. U. A. companies.....	72.06	71.49
Bureau companies.....	6.07	6.15
Non-affiliated companies..	9.18	9.02
Total stock companies....	87.31	86.66
Mutual companies (factory mutuals omitted) .....	11.47	12.12
Reciprocals .....	1.22	1.22

### Comparison is Made

"In connection with the participations in our 15 states, it should be said that while percentages for our companies have been fairly steady for the past four years, they show substantial shrinkage when compared with the share of business we received in 1930. In other words, beginning with and during the worst years of the depression, mutual and non-affiliated companies increased their percentage of the 'take' of the business in the middle west. The non-affiliated companies in the past several years have been holding that gain, while the mutuals continue to gain but at a much reduced pace. Stated in another way in 1938 W. U. A. companies lost .57 of their 1937 participation; the Bureau gained .08; non-affiliated companies lost .16, while the mutuals increased their

participation .65. In the middle west, the stringency of hard times in the early '30's may have emphasized the mutual appeal, while the low burning rate of the latter half of the last decade insured and enhanced the lure of participating policies.

### Sees Pulling Power Less

"I believe our indemnities are being better sold now than ten years ago and that the theory and practice of mutual insurance is being challenged by stock fire insurance as never before. If the 1940's unfold an expanding loss ratio on a continuous yielding rate level, the pulling power of the mutuals will diminish.

"The competition of mutuals as well as all outside competition can be combated. Such competition is at least expected, not to say imagined, and its approach or presence, even though surreptitious, occasions no surprise. We are on notice and can, acting separately or through the association, plan an organized strategy of defense or offense. Competition between members—yes, all the time and every where, but on the square. Unfair competition between members is mean competition, a betrayal against which honor can plan no defense, a hurt to association pledges that no impossible penalty can heal.

"In this connection and as bearing on

the subject of the responsibility that is on the business of insurance to demonstrate ability to govern itself, I would quote in part the summary of THE NATIONAL UNDERWRITER of the remarks of Superintendent Pink of New York, speaking recently to a convention of insurance men in Ohio, as follows:

"If the industry fails properly to police itself, if it fails to put in force rates and charges which are equitable to the public, if it permits the taking of business by one company from another through the payment of excess commissions and other unfair inducements, if it fails properly to regulate the cost of insurance and permits company expenses and commissions to eat up more than their fair and just portion, the state will be compelled to secure larger powers. The future of insurance rests with the industry. If the industry effectively regulates itself and conscientiously carries out its great mission in the business and social world, there is no reason for further extension of the power of the state."

"Every member of every fire company organization should paste that statement in his hat. It points clearly to the duty and responsibility of self-government. It is a statement from a state officer having wide powers of supervision over our business, who can see clearly

that if our business fails properly to govern itself, we shall lose the right to try."

J. C. Harding, Springfield F. & M. chairman of the governing committee, in his report referred to the rule governing agency expense, saying the committee is called on from time to time to pass on the legality of allowances for advertising and other proposals. Some agents desire to charge up membership in the state chamber of commerce. The committee has consistently held that all such are in contravention of the rules.

The report stated that the committee had been advised of purely reinsurance companies making direct agency appointments. While in the central west there are not known to have been such appointments except in one instance which is not confirmed, the committee advised the adoption of the Eastern Underwriters Association rule on the subject. It prohibits members placing reinsurance through local agents unless such is done with a member company and at regular agency commissions.

As to general agents the report declared there is no disposition to abridge the right to give the title to any type of field representative. However, under the rules a general agent is specifically defined with certain rights and privileges, which will qualify him for W. U.

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A. membership. A field man who does not meet all these qualifications can not enjoy the status of a general agent. All general agency appointments must be approved by the governing committee.

The report called attention to the attempts by agents and brokers to reduce the outgo of assured for insurance premiums. They bring strong pressure to bear on companies. Action by the companies to broaden the forms of coverage where such course is considered justifiable has operated to broaden the minds of many agents on this question to the point where abuses of the principle are proposed or attempted.

#### Cites Free Lancer's Year

"The principal advocate of deviation filings and of the privilege of annual payment of term premiums," the committee stated, "is a stock company domiciled in a far northwestern state. The free use of these competitive instruments together with the offer of a participating policy enabled that company to increase its net premiums in 1939 approximately \$370,000 or about 5 percent. The total net premium gain percentage wise, was slightly less than the average net premium gain for all stock companies.

"While the record as to volume is favorable, it is not strikingly so and recalls the old story of the fellow from the noise he heard who estimated there were a million frogs in the chorus.

"A nation wide increase last year in the premium volume by the most prominent free-lance operator in this business would not in itself seem to justify organization companies in giving consideration to any departure from our practice to support bureau rates and the present term rules.

"It is acknowledged that the broad view of this competition loses some of its force and consolation when a given risk or an esteemed agent is under attack, but in the last analysis the situation must be met broadly or not at all. To convince a body of local agents it is to their best interests to ignore this competition in so far as asking our companies to authorize equal rates and privileges which would affect all the business and then have these agents later advise us that one of our own members has in a particular case permitted a like deviation, causes something of a let down in the agents' respect for organization companies as such."

#### Reflection on Members

The committee firmly believes that departure from the rules to meet this competition is of little or no importance as to premium volume and that its chief significance is in the disproportionate reflection cast on all member companies and on many agents. An appeal was made to forego the specific line or particular appeal and stand by the rules.

In commenting on alleged commission violations, the report asserted there is a certain amount of loose talk about excess payments. There are complaints

now and then but the committee hopes companies will stand firmly and not bring about undesirable conditions.

The committee called attention to unapproved builders risk binder forms in some states which have spread to almost all sections. The committee asked companies that had promulgated such forms to withdraw them and instruct agents to comply with approved forms and rates.

The association discussed regulation of commissions on collateral lines but the consensus was that the point had not been reached where mandatory legislation should be enacted.

It was voted to adopt the E. U. A. rules regarding reinsurance companies writing direct business through agencies.

Legislation sharply defining bona fide general agents was passed in view of the fact that some companies are giving the title to supervising field men who have an overriding and contingent contract. They do not qualify as general agents and are not eligible to membership in the W. U. A.

It was expected that there would be some discussion on the Chicago situation but it failed to materialize. The committee on arrangements announced it as yet had no recommendation to make as to place of the fall meeting.

#### Snow Flakes from Hills of White Sulphur Springs

When the large contingent arrived Saturday morning for the annual gathering of the Western Underwriters Association at White Sulphur Springs, mercury stood at 26 degrees. It was bleak and blustery. Some few courageous souls captained by the redoubtable Geo. H. Bell of the National sallied forth to play golf. By the close of the afternoon there were snow flurries and the breezes were more penetrating. A snow storm struck the region Saturday night so Sunday morning the ground was covered and the derivation of the name "White Sulphur" was explained. By noon the snow was off but the air was chilly. Some of the more daring sought the links but Capt. Bell had suffered sufficient punishment and resigned in favor of President Paul Sommers of the American. By Monday the weather had become settled, the sun was shining and the golfers were out in full force.

Those who tried to motor to White Sulphur Saturday and Sunday found treacherous riding over the hills. E. G. Frazier, Chicago, Springfield F. & M., and Mrs. Frazier encountered a snow storm, left their car at Cincinnati and boarded the train.

Roy E. Eblen, vice-president Phoenix of Hartford, left after the meeting for Wichita for the convention of the National Association of Insurance Agents where he will publicize the fact that he is vice-president of Central States Fire of that city. It will be hosts to agents

at its headquarters and will provide the entertainment for the banquet next Tuesday evening.

All hands were gratified to find C. F. Shallcross, U. S. manager North British & Mercantile, looking so fit after a long siege of illness and operations. He has been enjoying the sunshine at Nassau.

John L. Mylod, assistant U. S. manager North British & Mercantile, is on a three weeks trip. He left for Wichita to attend the National Association of Insurance Agents convention and will preside at the N. B. & M. headquarters.

J. H. Burlingame of Chicago, assistant general manager Western Adjustment, attended his first W. U. A. meeting.

B. N. Carvalho, president Northeastern of Hartford, brought his bride to the meeting, who made many friends by her charming personality.

Vice-president J. G. Maconachy of Fire Association, represented its home office. W. E. McKell of New York, vice-president American Surety and New York Casualty, and Mrs. McKell, are stopping at the Greenbrier. Mr. McKell hobnobbed with some of the fire company executives with whom he was acquainted. Special interest centers in Mr. McKell at this time inasmuch as the casualty and surety men are backing him for insurance director of the U. S. Chamber of Commerce in opposition to Secretary J. H. A. Timanus of the Philadelphia Contributionship.

T. B. Boss, president American Reserve, who seldom is found at these meetings, registered at this one.

T. J. Butler of Hartford, superintendent of agents of Travelers Fire, was introduced by vice-president R. D. Safford.

Vice-president Grant Bulkley of Springfield F. & M. brought a full outfit of fishing tackle, brand new, only to find that the fishing season opens April 29 in West Virginia.

Mr. and Mrs. Hendrik Folonie and Mr. & Mrs. Geo. H. Grear entertained at a cocktail party Monday evening. The two men are members of the potent law firm of McKinney, Folonie & Grear of Chicago.

H. C. Bean, secretary Travelers Fire, was accompanied by his daughter, Alice, a beautiful and accomplished young woman.

E. N. O'Beirne of Atlanta, manager Automobile, L. T. Wheeler, manager Southeastern Underwriters Association, and Paul B. Sommers, president American officially represented the S.E.U.A.

C. C. Hannah of San Francisco, vice-president Fireman's Fund, stopped off at the W. U. A. meeting on his way home from the east.

W. B. Burchell, secretary Commercial Union, seldom seen at W. U. A. meetings, was present this year. He is a nephew of the late Geo. W. Burchell who was president of Queen.

The ex-presidents at hand who constituted the nominating committee were Harding, Springfield F. & M.; Bell, National; Thomas, National Union Fire; Henne, America Fore; Powrie, Fire Association. C. A. Ludlum, retired vice-president Home, a former president, was at the meeting but no longer in active service was not eligible for committee service.

On Monday, Tuesday and Wednesday evenings during the regular motion picture program at the hotel, there were two "shorts" giving closeups of Underwriters Laboratories tests. One was

"Unseen Guardians" and the other was a popular science reel.

Dan Ryan, Chicago broker and Cook county commissioner, is stopping at the hotel.

Frederick Rauh of the Rauh & Son agency at Cincinnati spent Sunday at White Sulphur, conferring with company executives of companies that his office represents.

L. C. Lewis, vice-president North America, attended his first WUA meeting. He possesses a dynamic personality. President J. O. Platt came on for the last day.

G. C. Classen, secretary Great American in the western office, attended the first W.U.A. meeting.

#### Zimmerman Corrects an Impression That Was Made

This letter has been received from C. J. Zimmerman of Chicago, president National Association of Life Underwriters:

"Upon my return to the office, after an extended trip, I noticed in your April 5 issue an excellent report of the meeting of the Insurance Club of Chicago which I addressed.

"I do wish to make one correction, however. I am quoted as in turn quoting Mr. Gerhard A. Gesell, special counsel of the TNEC insurance study, to the effect that, 'We don't want life insurance men, the boys we are after are the fire and casualty men.'

"I have so often been misquoted in the daily press that I have been quite accustomed to this and have paid no attention to it. However, because of the unusual accuracy of your publication and because in this instance another individual is involved, I would like to correct this misquotation.

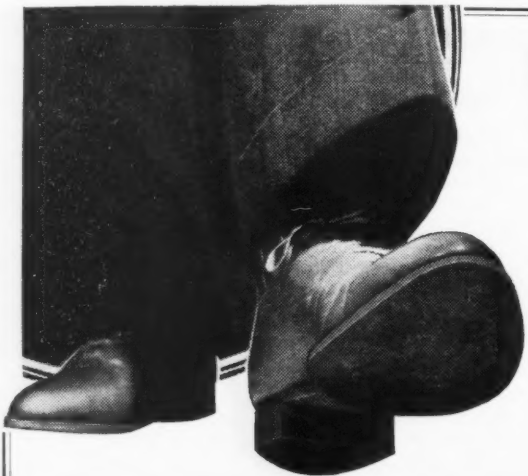
"I do not remember that Mr. Gesell made such a statement to me nor do I remember having attributed such a statement to him.

"What I did wish to emphasize at this meeting was that if it were practical to sell life insurance over the counter, it is certainly practical to sell fire and casualty insurance.

"I am particularly anxious to bring this matter to your attention because I personally have been most critical of some of the newspaper releases that have emanated from Washington at various times the responsibility for which it was later impossible to place. In all fairness, therefore, to Mr. Gesell, I do not want to be responsible for this error."

#### Robt. Murdock Makes Change

ST. LOUIS—Robert Murdock has become associated with the Insurance Agency Company here in charge of the fire insurance department. The agency is adding to its organization because of the increase of business in the last few years. Mr. Murdock has lately been associated with the Lawton-Byrne-Bruner agency and before that was with the Missouri Inspection Bureau.



## Personal Solicitation Produces Business

... but every agency needs other specialized help in developing business, too

... Help of a friendly Company equipped to render prompt, specific cooperation. ... Help of a local Fieldman ready with aggressive, on-the-spot assistance.

That's the additional, worthwhile business-building cooperation offered by:

**The Hanover Fire Insurance Co. of New York**  
**The Fulton Fire Insurance Co. of New York**

Home Office  
 111 John St., New York

Western Dept.  
 Insurance Exchange, Chicago

## Nebraska Dept. Shakeup Seen as Result of Primary

LINCOLN, NEB.—Nebraska insurance men consider it fairly certain that regardless of whether Dwight Griswold, Republican, or Terry Carpenter, Democrat, is elected governor in November, a big shakeup will follow in the Nebraska department.

The fact that Director Smrha has been doing satisfactory work in his four years of service will hardly suffice to save him if Carpenter wins, as he has been at feud with the Cochran faction of the Democratic party, with which Mr. Smrha is affiliated. If Mr. Griswold is elected, it would naturally follow, as in the past, that a Republican would succeed Mr. Smrha. Carpenter beat Neville, representative of the Cochran faction and former governor, by less than 2,000 votes.

John Havekost, former head of the Nebraska Association of Mutual Insurance Companies, recently appointed state treasurer to fill a vacancy, was defeated for the Democratic nomination. Frank Summers of Beatrice and Harry Pizer of North Platte, local agents, lost out in efforts at a comeback after being defeated for the legislature two years ago. Amos Thomas, chairman of the legislative council, and executive of several Omaha companies, had an easy road to renomination for the legislature.

## Announce Program for Arkansas Meeting May 10-11

MARIANNA, ARK.—C. C. Mitchener, secretary-manager Arkansas Association of Insurance Agents, has completed the program for the annual convention at Hot Springs May 10-11. It is as follows:

### Friday, May 10, Morning

Meeting called to order by President L. H. Derby, Warren.  
Greetings from Arkansas Field Men's Club.

Annual report of the president.  
Address, Walter H. Bennett, general counsel National Association of Insurance Agents.

Annual report of the secretary-manager, C. C. Mitchener.  
Appointment of committees.

### Afternoon Session

"Building Business by Knowledge," J. C. O'Connor, editor F. C. & S. Bulletins, Chicago.

Report of the manager's office to Jan. 1, L. R. Martin, Pocahontas.  
7:30 p. m.—Annual banquet and dance.

### Saturday, May 11

"The Arkansas Insurance School," Dr. C. C. Fichtner, dean of the College of Business Administration, University of Arkansas, Fayetteville.

"Creative Selling," Charles A. Stuck, C. A. Stuck & Sons, Jonesboro.  
Report of resolutions committee.  
Report of nominations committee.  
Election of officers.

## Small Premium Business

Additional assistants have been obtained by Hunter Brown, Pensacola, Fla., discussion leader of one of the five forums on the program of the mid-year meeting of the National Association of Insurance Agents in Wichita. They are J. K. Boyce, Williams-Boyce Agency, Amarillo, Tex.; R. E. Battles of R. A. Rowan & Co., Los Angeles, son of Eugene Battles, and Harry Tinklepaugh of the Tinklepaugh & Lind agency, Kansas City, Kan. The forum is titled "Small Premium Business—How to Make Profitable to Agents." It will be held at the second convention session, April 24.

## Reciprocal Exchange Figures

In the Argus Fire Chart for 1940 the dividends paid item for Reciprocal Exchange on page 137 is given as \$111,677. The correct figure is \$141,677. On page 179 in the assets analyzed section the correct percentage of stocks to assets should be 4.4 percent instead of 44 percent.

## Conventions

April 17-19—American Association of Insurance General Agents, Baker Hotel, Dallas.

April 22-25—Natl. Assn. of Ins. Agents, Midyear Meeting, Wichita, Kan.

April 23—Kansas Agents (mid-year), Broadview Hotel, Wichita.

April 28-30—North Carolina Agents, Robert E. Lee Hotel, Winston-Salem.

April 29-May 2—U. S. Chamber of Commerce, Washington, D. C.

April 30-May 1-2—Midwest Safety Congress, Chicago.

May 3—Iowa Field Men, Hotel Savary, Des Moines.

May 6—National Fire Protection Association, Atlantic City.

May 6-7—Insurance Division, American Management Association, Hotel Traymore, Atlantic City.

May 9-10—Alabama agents, Montgomery.

May 10-11—Arkansas Agents, Arlington Hotel, Hot Springs.

May 13-14—New York Agents, Hotel Syracuse, Syracuse.

May 14-15—Western Insurance Bureau, Chamberlain Hotel, Old Point Comfort, Va.

May 15-17—Texas agents, Rice Hotel, Houston.

May 16—Vermont Agents (Spring meeting), Montpelier.

May 16-17—Bureau of Personal Accident & Health Underwriters, Claridge Hotel, Atlantic City.

May 16-17—South Carolina Agents, Charleston.

May 20-22—National Association Independent Insurance Adjusters, Chicago.

May 21—Insurance group National Association of Credit Men, Royal York Hotel, Toronto.

May 21-22—Kansas field men, Lassen Hotel, Wichita.

May 21-22—Inland Marine Underwriters Association, Greenbrier Hotel, White Sulphur Springs, W. Va.

May 23-24—Georgia Agents, Tybee Hotel, Tybee Island.

May 23-24—Nebraska Agents, Cornhusker Hotel, Lincoln.

May 24—Ohio agents, mid-year, Deshler-Wallick hotel, Columbus.

May 24-25—Oklahoma Agents, Enid.

May 24-25—Mississippi Agents, Buena Vista Hotel, Biloxi.

May 30-June 1—Virginia Agents, Cavalier Hotel, Virginia Beach.

June 4-5—Pennsylvania Insurance Days, Bellevue-Stratford Hotel, Philadelphia.

June 5-6—Tennessee Field Men, Mammoth Cave Hotel, Mammoth Cave, Ky.

June 6-7—National Accident & Health Association, Columbus, O.

June 10-12—Southeastern Underwriters Association annual meeting, Cavalier Hotel, Virginia Beach.

June 11—Minnesota Insurance Federation, Nicollet Hotel, Minneapolis.

June 11-14—Health & Accident Underwriters Conference, Nicollet Hotel, Minneapolis.

June 13-14—Tennessee Agents, Hotel Patton, Chattanooga.

June 13-14—Carolinas field men, Ocean Forest Hotel, Myrtle Beach, S. C.

June 13-14—Wisconsin Fire Und. Assn., Lawsonia, Green Lake.

June 13-14—Illinois Fire Und. Assn., Spink-Wawasee Hotel, Wawasee, Ind.

June 19-20—Minnesota Field Men, Pine Beach Hotel, Brainerd.

June 20-21—Kentucky Agents, Lafayette Hotel, Lexington.

June 26-27—Indiana Field Men, Spink-Wawasee Hotel, Wawasee, Ind.

June 26-27—New England Agents, Poland Spring House, Poland Spring, Me.

June 25-27—National Association of Insurance Commissioners, Bond Hotel, Hartford.

June 27-29—Maryland Agents, Ocean City.

June 28-29—North and South Dakota Field Meeting, Blake Hotel, Alexandria, Minn.

## Arkansas Group 1 Meets

JONESBORO, ARK.—W. A. McDowell, Jr., Walnut Ridge, was reelected chairman and Ted Roddrick vice-chairman of Group 1 of the Arkansas Association of Insurance Agents at the meeting here, with 47 in attendance, the largest attendance of any group meeting held this year.

L. H. Derby, state president, and C. C. Mitchener, secretary-treasurer, were special guests.

## REJECTED RISKS

Spencer Welton, vice-president of Massachusetts Bonding, relates the impassioned words of a broker, making a speech in defense of the middleman at a hearing before a state authority on the subject of rates and commissions. "So, Mr. Superintendent," the broker declared, "we maintain that the brokers are entitled to all they deserve."

# AUTO ACCIDENTS a la carte'

You can't order automobile accidents like you order a meal . . . you've got to take what comes, when, as and if one occurs. And, as the Alliance national advertising for April points out, if you've only fire and theft insurance and your accident is not in either classification, you're out of luck. This forceful reminder prepares the reader for serious consideration of the Comprehensive "All-Risks" Policy, for details of which he is urged to

**"Ask the Alliance Agent"**



**THE  
ALLIANCE INSURANCE CO.  
of PHILADELPHIA**

Head Office:—1600 Arch St., Philadelphia  
New York Office:—99 John Street, New York City  
Chicago Office:—209 West Jackson Boulevard  
San Francisco Office:—222 Sansome Street

## Education and Auto Finance Insurance Absorb Floridans

(CONTINUED FROM PAGE 1)

Hunter Brown, Pensacola, later advanced to president, the first session was featured by the talks of President Smith and Mr. Carter.

Elaborating on the education theme by Mr. Smith, Payne H. Midyette, Tallahassee, as vice-president of the National association and former president of the Florida association, declared that the "educational program is to be the greatest contributing factor to the preservation of the agent as we know him. It will mean the preservation of the stock company and the agency system."

At this point Mr. Midyette intimated, and later officially confirmed, that the HOLC insurance contract, which has been in the negotiation stage for several months, had just been awarded to the Stock Company Association. He interpreted that action as meaning the preservation of the rating and agency structures of the business.

### COMMISSIONER TALKS

At the executive session Mr. Carter supplemented his talk on the cooperative movement by pointing out the good approach it contains in reaching business men on a matter of principle. Active opposition to the spread of that ideology builds good will for stock company agents.

In addition to Mr. Murphy, outside speakers at the final session were Commissioner Knott of Florida and George E. Edmondson, Tampa general agent and chairman of the Florida Fieldmen's Conference.

Commissioner Knott recalled that this was the 12th time that he had addressed the Florida agents in his official capacity. It was his last time, he pointed out, as he intends to retire from public life after 40 years service as treasurer of Florida.

### Low Fire Loss Ratio

During 1939, net premiums in Florida of fire and marine companies, he said, were \$15,720,715, losses \$3,858,212. Casualty premiums were \$9,311,004 and losses \$3,579,189. From July 1, 1939, to March 3, 1940, insurance taxes collected by the department amounted to \$1,158,276. That was a new high figure. During the 11 years that he has been treasurer, insurance taxes collected amounted to \$11,609,096. He expressed gratification that during his administration a compensation law was enacted in Florida. He reported that the compensation premiums in 1939 amounted to \$2,869,539 and losses \$1,391,915. One of the difficulties to be straightened out in the next filing is the classification and rating of risks which are part federal and part state.

### Cooperation is Shown

Mr. Edmondson outlined ways how Florida agents and fieldmen have been working together in "Sincere Solidarity." He pointed to the elimination of a bank agency, to the active help given by fieldmen in the short courses and the extension course school, to the joint work of committees, and to the assistance that companies are ready to give in straightening out practices.

"Dean" McCord, as chairman of the Florida and National association's committees on education, was frequently in the spotlight.

Although plans have not yet been completed, Mr. McCord said an effort is being made to develop a long term curriculum of courses that will provide a proper balance in a series of studies intended to explore in more detail the broader phases of insurance. He predicted that short school and extension courses will develop into well planned, long term courses in property and liability insurance which will coordinate all educational activities. He said he believes that the National association should develop standards and require-

ments of study and award certificates for completion.

George W. Slaton, Palm Beach, speaking for the fire and accident prevention committee, declared that fire prevention work will be continued and that "Something can be done to reduce automobile accidents. Let's do it." He urged that special attention be given to such work this year.

### Midyette Explains Veto

Mr. Midyette, reporting as chairman of the legislative committee, explained why the improved form of the agency qualification law was vetoed by the governor and later failed by only one vote in the senate of being passed over the veto. The bill is to be reintroduced next year and the agents are already laying plans to have it repassed, notwithstanding the opposition of non-stock interests. As for the veto, Mr. Midyette said that the Governor "didn't even know he vetoed it. It was one of 160 vetoes during a rush period."

Hunter Brown, chairman of the casualty committee, reviewed developments in workmen's compensation.

### In Fine Condition

Secretary Eifler, reporting on finances, showed the association to be in fine condition, due in part to the fact that the association now gets the commission on the fire and tornado insurance on state properties. Membership stands at even 500, a net loss of one for the year. The association operates on a graded dues basis, ranging from \$10 to \$100. Mr. Eifler commented on the increasing percentage of those agencies in the top brackets and the decreasing percentage in the lower dues range.

The slate of officers prepared by the nominating committee, which was headed by James W. Warren, Tampa, was elected without opposition. However, there was a new departure in the installation ceremonies. "Dean" McCord officiated, and the oath of office was administered in judicial solemnity by Commissioner Knott.

Just prior to adjournment invitations for the 1941 state convention were submitted by Ocala, Tampa and Hollywood. Selection of the site and the date of the meeting are left to the directors.

### FLORIDA SHORTS

Plenty of entertainment was offered to delegates at the Palm Beach convention of the Florida Insurance Agents Association. Visiting ladies were taken on a wheel chair ride, held a bridge party and had the choice of golf, swimming or fishing. The men had little time for relaxation Friday, but many remained over Saturday afternoon for a holiday outing. An informal and speechless banquet Friday night, followed by a floor show and dancing, completed the program.

The welcoming address of O. A. Gane, president Palm Beach Insurance Board, was so brief that it could be printed on a small card. That was the procedure followed, every registrant getting the message with his badge. In the opening ceremonies Friday morning he called attention pleasantly to the fact that his address was "so important that it had to be printed."

Because he met two important requirements—being present at all three sessions and holding the lucky ticket number—J. H. Hagsdale of Fort Myers won an attendance prize equivalent to one-half of his annual dues to the Florida association.

Frank D. Moor of Tallahassee, the incoming second vice-president of the

Florida association, is a partner of Payne H. Midyette, vice-president National Association of Insurance Agents, in the Midyette-Moor agency. Mr. Moor's election put him in line for the presidency four years hence, in line with the Florida custom of advancing its officers each two years.

A movie on salesmanship, sponsored by the Aetna Casualty was the first item on the Saturday morning program.

Four minor amendments to the constitution and by-laws, each correcting the rules to conform with practice, were adopted without discussion.

It turns out that L. P. McCord, Jacksonville, the guiding spirit in the Florida and national educational movements, goes by at least three nicknames and answers to all of them: "Dean," "Mac" and "Pop."

A. C. Eifler, full-time secretary, was commended alike by officers and members. Last year he visited 214 towns in tours that covered 13,825 miles. As an aside he commented that about 20 percent of his time is taken up in collection of dues.

Chairmen of committees named for the convention by President Stallings were: Resolutions, Howard Beale of Daytona Beach; nominations, James W. Warren of Tampa, and auditing, Ralph P. Harmon of Orlando.

B. D. Cole, Jr., was general chairman. He was assisted by Mrs. Blanche Johnson on registrations, C. C. Cornelius on entertainment, W. P. Fischer on reception, and Mrs. Martha Pope for the visiting ladies.

## HOLC Places Line on Stock Basis

(CONTINUED FROM PAGE 1)

sion or additional loan, the HOLC has been requiring an insurance and tax agreement, under which the borrower includes the cost of insurance and taxes in the monthly payments. A borrower may also handle his insurance in this manner voluntarily. Foreclosed properties are being sold by the HOLC under a contract of sale with a similar agreement. Insurance under this plan will also presumably be written through the Stock Company Association and the borrower apparently will be permitted to designate his agent. Previously, insurance on distressed properties or covering properties where the owner had failed to furnish insurance was written through the Stock Company Association if previously insured in a stock carrier and through the Mutual Company Association if previously in a mutual. It was not indicated whether a borrower may furnish a prepaid policy where he has signed an insurance and tax agreement.

### Foreign Companies Eligible

The release states that the Stock Company Association "embraces in its membership all stock fire insurance companies who wish to participate." Presumably, foreign companies are now eligible. Previously only American companies had been permitted to participate.

The Federal Home Loan Bank Board stated that 29 proposals were submitted by stock and mutual companies in response to its request for bids. There were countless rumors that one organization or the other would get this business, including stories that it would be written at below tariff rates, or in a company or companies not admitted in all states in which the properties are located.

### Personnel of Committee

The Stock Company Association and the National Association of Insurance Agents participated in the final agreement. The companies were represented by P. C. Cothran, vice-president Phoenix of Hartford, chairman; W. J. Reynolds, New York, vice-president Corroon & Reynolds, and Ivan Escott, vice-president

Home of New York. Mr. Escott replaced F. A. Gantert, Baltimore, president Fidelity & Guaranty Fire, who died recently.

W. O. Wilson, Richmond, Va., past president National Association of Insurance Agents, was chairman of the agents' committee which included President S. O. Smith, Gainesville, Ga., vice-president P. H. Midyette, Tallahassee, Fla., and Mr. Bennett, New York.

### BENNETT PRAISES AGREEMENT

NEW YORK—W. H. Bennett, counsel National Association of Insurance Agents, issued the following statement in connection with the awarding of insurance on properties in which the Home Owners Loan Corporation is interested to the Stock Company Association:

"It is said that if one works long enough and hard enough on any project, eventually success will come.

"Such is the story that broke this week by the announcement that the Stock Company Association has been awarded the Home Owners Loan Corporation contract for its insurance requirements. Few people know of the long hours and constant vigil that has been put into this project by representatives of the National association working constantly with the special company committee to bring this work to a successful conclusion.

"It is a striking illustration of what can be done when companies and agents see eye-to-eye and work together for a common end.

"Heretofore on all insurance premiums financed by the HOLC the agent only received one-half of the commission. This was on the theory that the agent was practically disconnected from the transaction because the HOLC was furnishing the money and buying the insurance.

"After five months' labor, there has now been established by agreement between the National association and the Stock Company Association a commission on all insurance written by the SCA on all HOLC insurance, of 20 percent. This means several hundred thousand dollars of income for agents which they have not been receiving. If any agent anywhere ever needed any additional proof of the value of an organization, here it is.

"The new contract will generally permit membership in the Stock Company Association of all such companies so desiring to enter."

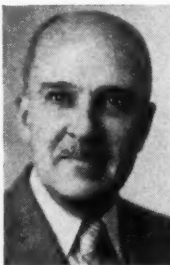
### MUTUALS' POSITION

A. V. Gruhn, Chicago, general manager American Mutual Alliance, issued the following statement on the acceptance by the Home Owners Loan Corporation of the insurance proposal of the Stock Company Association:

"We are very glad to have the question of insurance coverage on properties under the jurisdiction of the HOLC finally settled. Several months ago the Mutual Company Association and the mutual fire companies generally decided that it was impossible, legally, and from the standpoint of equitable treatment of all policyholders and classes, to develop a proposal which would decrease the cost of insurance only to the corporation and its borrowers. The Mutual Company Association decided not to bid at all, and it concluded to wind up its affairs as soon as possible.

"We understand that the mutual companies which did file proposals based them on approved or published rates and forms specifically applicable in the various states. Our information is that these proposals were not attractive enough to warrant very serious consideration.

"On Feb. 14, the American Mutual Alliance filed a communication with the HOLC suggesting that it modify its insurance program to permit the borrower to select his own agent and insurance company whether he paid the premium or secured the loan of the necessary funds for the purpose. This suggestion seems to have been followed, at least to



A. C. Eifler

the extent of permitting borrowers to offer prepaid policies in the required amount and for the necessary coverage. What the procedure is to be in those cases where the borrower wishes to make a further loan of an amount sufficient to pay insurance premiums is not clear.

"It is interesting to observe that of the 29 proposals, the one decided upon as being the most attractive offered no savings in insurance cost to the borrower. The advantages, therefore, seem to accrue entirely to the HOLC either in reduced ultimate cost of the insurance itself or in the administration of the insurance department. Those who have played a part in the development of the proposal have publicly stated that it is strictly in compliance with the regulatory and anti-discriminatory laws of the individual states. If it is true that the proposal represents a saving of 25 to 35 percent to the HOLC and the plan passes the scrutiny of the state regulatory authorities, then undoubtedly it will be used as a basis for subsequent bidding on federal controlled property by all companies, individually or in cooperation with others, whether or not they happen to be members of the Stock Company Association."

### Laboratories Work Reached New Peak in '39, Small Says

(CONTINUED FROM PAGE 3)

specifications of the National Bureau of Standards for noise, smoke, radio interference and other considerations.

A. H. Nuckolls reported progress in the research begun on chokes to prevent explosions in starch factories. There was a large increase he said, in the testing of rubber and synthetic electric wire insulation for use at high temperatures.

#### Manning Reports on Labels

More than 427,730,000 UL labels were used by manufacturers on approved products in 1939, an increase of 36 percent over 1938, G. E. Manning, superintendent of the label service department, declared.

Crash switches automatically to turn off the ignition circuit of an automobile involved in an accident, and the development of a new and portable slip-resistance testing machine for comparing the fall hazard of various floor surfaces were described by Sidney V. James.

A new line of sprinkler system supervisory devices for central station signaling, and several makes of fire alarm thermostats were investigated, R. W. Hendricks declared.

For the burglary protection department H. B. Michael described the completion of a three-year investigation of the noises made by burglarious attacks on vaults. This research culminated in the making of phonographic recordings of the attack noises. These records are now used in testing the sensitivity and reliability of alarm systems operating on the sound or microphone principle.

G. T. Bunker, assistant secretary, said the Laboratories had distributed more than 1,400,000 listing cards and publications.

B. P. Caldwell, Jr., assistant secretary, reported that two Hollywood companies had made motion picture "shorts" of the Laboratories' activities, and it was estimated these would be seen by 40,000,000 people.

Mr. Harding held an informal seminar on insurance, scientific, testing, fire, accident and crime prevention and other subjects, following the conclusion of the luncheon.

#### Drucker Talks to Mutual Men

CLEVELAND—M. Drucker, vice-president Charco Co., New York, discussed how to analyze financial statements in a talk before the Mutual Insurance Association here. He stressed the value of the balance sheet in sales work. Every salesman, he said, should know how his company stacks up, for otherwise he may find his prospect knows more about his company than he does himself.

## Novel Settlement in General Mills Factory Fire Loss

BUFFALO—A novel and most unusual adjustment has been agreed upon by General Mills and the fire companies insuring its cereal plant here, which burned Feb. 15. Instead of a lump settlement before rebuilding, General Mills will proceed with repairs to the building and machinery under supervision and the companies will pay the cost. It is expected that the cost will be at least \$250,000.

The building had just been completed and operations had not started, the fire occurring the day before the scheduled opening. Consequently, there was no depreciation factor. The difficulty of estimating the cost of repairs under these conditions resulted in the unusual adjustment.

#### Stock Loss Settled

The loss to stock and materials has been adjusted at about \$300,000. Fire Companies Adjustment Bureau is handling the entire loss.

The General Mills loss is the largest fire insurance payment in Buffalo in 15

years. The line was placed by the Minneapolis office of Marsh & McLennan and written through the New York office of that agency.

#### No Precedent in Middle West

Prominent adjusters and company officials in Chicago said that no adjustment similar to that in the General Mills loss had occurred before in the middle west and probably nowhere in the United States. There have been smaller losses handled on a similar basis, mainly where buildings in the course of construction sustained partial losses, but no case approximating the amount of money involved in the General Mills loss. The Buffalo loss was unique in that the building was completed, but had not been used, and it is being studied carefully by everyone in the fire insurance business.

#### Signs N. Y. Bill on Dividends

Governor Lehman of New York has signed the bill prohibiting domestic stock fire and marine companies from paying in any one year cash dividends amounting to more than 10 percent of outstanding capital stock. Excluded from the provisions of the bill are companies with net surplus at least equal to either 30 percent of premium reserve or 50 percent of outstanding capital stock, whichever is greater.

## Two Prominent Executives to Address U. S. Chamber

Two prominent insurance men are on the general program for the annual meeting of the U. S. Chamber of Commerce to be held in Washington, D. C., April 29-May 2. L. W. Douglas, president of the Mutual Life of New York, who formerly was federal director of the budget, will speak on "The Obligations of Leadership," the evening of May 2. The other executive is J. S. Kemper of Chicago, president Lumbermen's Mutual Casualty, and head of a large mutual syndicate. He is one of the vice-presidents of the U. S. chamber.

#### New Jersey Law Was Upheld

On page 4 of THE NATIONAL UNDERWRITER of April 11, in the account of the federal court decision holding the Montana countersignature commission law unconstitutional, it was stated through a typographical error that the United States Supreme Court case of O'Gorman & Young vs. Hartford Fire held the New Jersey commission regulation law unconstitutional. The New Jersey law was held constitutional, as the balance of the article inferred and as most insurance men know.



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## EDITORIAL COMMENT

### D. F. Cox's Constructive Work

THE death of D. F. Cox, head of Appleton & Cox, well known marine firm of New York City, took from his accustomed path one of the sturdy pioneers in his specialty. Mr. Cox had the good fortune to be associated with his firm from boyhood as his father before him was one of the founders. Therefore the son got a closeup view of marine machinery procedure from the start. In association with his father he received some fundamental personal education that was invaluable.

When a man thoroughly understands his business from the ground floor up, appreciates its niceties, its flexibility, its adaptation to business needs, its hazards and its opportunities, he can march forth with confidence and to an extent become an explorer. He is cognizant of just how far he can go and what he can do.

Mr. Cox was a gentleman of the old school of underwriting. He was urbane, genial and heartening. He was never

what might be called a producer for he did not have sales instincts whereby he himself could sell with great success. He was by all odds an administrator. When the business came to his office it was conserved, it was underwritten with intelligence and care. Therefore, as one of the guiding forces of his firm he was able to accomplish much because he knew what to do and when and how to do it.

Mr. Cox was a diplomat of the highest order. He had the faculty of ingratiating himself with people. He did not antagonize nor irritate. Therefore in the marine organizations and in his associations with others in the business he exerted great influence. He was looked upon as a leader. In many of the forward movements in marine insurance he took a most active part and did constructive work. It is men of Mr. Cox's type and stature that leave an impress on their business that is lasting.

### Day of Insurance Education

THIS is the day of insurance education. Insurance men are doing more studying of their business than ever before. There is plenty of good material and there is no excuse for those in the business not becoming far better equipped than they now are. THE NATIONAL UNDERWRITER has revised its Casualty & Surety Sales Training Course and brought it up to date. This course has already proved its worth but changes were made from time to time

and it was found to need revision.

Donald M. Wood, Jr., of Childs & Wood of Chicago, well known casualty and surety expert, has rewritten the course. This is a correspondence course. Two-thirds of the lessons have been completed and are being prepared for printing. Those who wish to equip themselves for better work in the casualty and surety field can find no more effective avenue than to take this correspondence course.

### Seeing the Best in Life

INSURANCE men who have their eyes lifted above the ground and the more sordid things in life cannot help but take great pride in the insurance business. They appreciate its material achievements which are monumental. They realize its contribution to the well being and welfare of mankind. Yet we need more kindly sentiment and good fellowship in

our business relations. When an insurance man looks for the best in other insurance men and seeks the best out of his business he creates for himself a new world. He goes ahead with a finer understanding of this great enterprise. After all there is much good in people if those with whom they are associated will only look for it.

### Getting Close to the Grass Roots

PROBABLY a need in company administration these days is a more thorough understanding of the situation out on the firing line where producers are soliciting business and renewing expiring policies. There should be a closer contact between the administrative office and the field. The producers after all are the ones best able to interpret pub-

lic sentiment, wishes, demands and criticism. Very often premium payers feel that their insurance companies are far off and the officials do not appreciate conditions governing certain cities or occupations. This is a day of rapid and drastic change. While we can depend much on experience, history, tradition, yet there must be at this period more

experimental work done than has been the case in the past.

The day has arrived when a company must be elastic and yielding. It must be kinetic and plastic. It must conform with the current demands. It must foresee what additional requirements will be made in order to protect property. It must look forward, not so much backward.

We cannot sit back and announce that this is the way we intend to do business regardless of the voice from the field. The company that will serve policyholders in the future is the one that has a vision and has the capacity to mold itself according to current demands. It is the one with the prophetic quality.

## PERSONAL SIDE OF THE BUSINESS

**H. W. Chesley**, assistant manager of the Western Underwriters Association, became a grandfather for the second time the other day when a nine-pound boy was born to his daughter, Mrs. Charles A. Duncan, II, at St. Luke's Hospital, Chicago. Mr. and Mrs. Duncan reside in Logansport, Ind. The boy has been named David A. Duncan, II. Another daughter of Mr. Chesley is the mother of the first grandchild.

**Dee A. Stoker**, Chicago insurance man who specializes on reinsurance, excess and other specialties, has served during the last year as president of the Winter Residents Association of St. Petersburg, Fla., where he spends the entire winter. He presided at the annual meeting when his successor was elected. Mr. Stoker is one of the great shuffleboard enthusiasts in the St. Petersburg sector.

**R. B. Augustine**, Richmond, Va., local agent, is a grandfather. A son was born last week to his daughter, Mrs. Lucius Cary, of Richmond.

**W. F. Sweazea**, Chicago manager of North British & Mercantile, has returned from a three weeks' motor trip through the Carolinas with Mrs. Sweazea. They stopped for several days at Asheville, N. C., and their longest stay at any one place was at Sedgfield Inn, near Greensboro, N. C. Mr. and Mrs. Sweazea are avid golfers and they were able to indulge themselves extensively during this trip.

**James E. Guy**, head of the automobile department of America Fore in the west, and most loyal gander of the Illinois Blue Goose, has now returned to the office after being away about a month on account of illness. He underwent observation in a hospital but the experts discovered nothing organically wrong. He will be working on a part time basis for several days.

**R. R. Van Tuyl**, head of the Van Tuyl agency in Des Moines, was married to Miss Hazelle C. Merkley of Hollywood, Cal., at the home of the bride's father, Aden Merkley, at Schaller, Ia. Mr. Merkley formerly was with the Central Life in Des Moines.

**Lyle Stephenson**, Kansas City local agent, has just returned from California and Hawaii where he and Mrs. Stephenson have spent the last four months.

**F. K. Hinton** of Chicago, head of the inland marine department of Northwestern National, and Mrs. Hinton have returned from a 10 days' motor trip through the south, touching at Atlanta, where they visited A. H. Turner, manager of the southeastern department, Augusta and Chattanooga.

**P. E. Taylor**, head of the Taylor-Miligan agency, Des Moines, and Mrs.

Taylor announce the engagement of their daughter, Inez Marie, to **Edward W. McDowell**, formerly of Des Moines, now special agent of the Niagara Fire in Chicago.

**C. A. Dosdall**, secretary St. Paul Fire & Marine, is on a business trip through Kansas, Texas and Arkansas. He attended the meeting of the Arkansas advisory committee at Little Rock this week.

**John R. Hampton, Jr.**, Little Rock local agent, will be married April 20 to Miss Irma Cuthbert Lincoln.

**W. T. Benallack**, secretary Michigan Fire & Marine, and Mrs. Benallack have returned to Detroit from a motor tour of Florida and the southern states.

**D. N. Handy**, secretary of the Insurance Library Association of Boston, and its librarian, has returned to his duties after three months serious illness.

## DEATHS

**W. V. T. Hinckley**, 81, with the Boston more than 50 years and in the general brokerage business for many years, died at his home in Lexington, Mass.

**Holger de Roode**, veteran Chicago local agent, who retired from business a number of years ago, died last week at the King Home in Chicago where he took up his residence when he gave up the active affairs of life. Mr. de Roode in his day was a unique character. He was a man of wide reading, a student, a person of real culture, fluent in speech. He might well have been called a savant. Mr. de Roode in business life was never much of a success. He was too much interested in things cultural. He had an insatiable desire to speak on public occasions on any or all subjects.

He came from a noble Dutch family and was born at Rotterdam in Holland Oct. 22, 1853. He was in insurance work all his life. In fact, he started Feb. 22, 1869, as a clerk in the western department of the Western of Buffalo in Cincinnati when Byron D. West was general agent, receiving \$25 a month.

Mr. de Roode received his education largely at St. Xavier College in Cincinnati. At one time he was western manager of the Providence Washington and Clinton Fire of New York, serving for over 10 years. He was active as a pioneer in the coinsurance movement and was chairman of the first committee on that subject that was appointed by the Western Union. He was one of the founders of the Chicago Ethical Society and was a former president of the Holland Society of Chicago.

When the Life Members Society of the Fire Underwriters Association of



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the Northwest was organized he was elected its secretary and served in that capacity continuously for many years until he was succeeded by W. J. Sonnen, retired manager of the Chicago department of the St. Paul F. & M. Mr. de Roode then was made secretary emeritus. He attended always the annual meetings of the Life Members Society. The society was established in 1910. When the Fire Underwriters Association of the Northwest was active he never missed the annual meetings.

Mr. de Roode during his earlier days was a very good tennis player. His tastes ran to literature, art, music and in many cases he could be called an authority. In 1902 he published a pamphlet entitled "Some Facts for Investors in Fire Insurance Shares" which had considerable circulation. He was the oldest living member of the Chicago Board.

**Robert W. Crowther**, secretary of Springfield Fire & Marine, died suddenly at his home Sunday. Funeral services were held at Longmeadow, Mass., Wednesday.

Mr. Crowther was born at Claremont, N. H. He graduated from Worcester Polytechnic Institute. After serving for five years as an inspector for the Factory Insurance Association he went with Great American in the special risk department. He joined Springfield Fire & Marine in 1919 as manager of the service department and in 1924 was elected assistant secretary. He was made secretary in 1932.

Mr. Crowther served as president of the Springfield safety council in 1937 and was at the time of his death a member of the fire prevention division of the council. He was a former president of the Tuesday Club of Springfield.

**Herbert C. Smith**, chief clerk at the head office of Norwich Union Fire and the oldest employee of that company in point of service, died from complications following an attack of grippe. He was born in Canada in 1866 and went with Norwich Union in New York in 1888. Although he had been given the privilege of retiring at any time he desired, he preferred to remain at his station until the last.

**Edson W. Jones**, 89, local agent of Columbus, O., died from a heart attack at his home.

**C. E. Pierson**, who had been in the local agency business in Wilmington, Del., since 1880, died the other day. Ten years ago Home of New York presented him a 50-year medal.

**Charles S. Whittlesey**, 63, who retired last December from the Western Adjustment on pension, died at his home in Fargo, N. D., from complications following influenza. Mr. Whittlesey had been a resident of Fargo since 1904. He was treasurer of the First Federal Savings & Loan Association and served two terms as lieutenant governor of the Kiwanis International for the Dakotas-Minnesota. He was born in Paxton, Ill., and was reared in Wisconsin Rapids, Wis., where he opened his own local agency when he was 23. Mr. Whittlesey moved to Fargo and became state agent for the Hanover Fire. Later he became manager of the Western Adjustment.

**Mrs. Cora O. Benson**, wife of Harry E. Benson, Oklahoma state agent of the Firemen's, died at St. Anthony hospital in Oklahoma City following an extended illness. She had returned recently after several weeks at the Mayo Clinic.

**Kenneth C. Smith**, special agent for Fireman's Fund in charge of the East Bay office at Oakland, died Sunday after a four year illness. He was a past president of the Special Agents Association of Central-Northern California. Funeral services were held Wednesday. He had been with Fireman's Fund since 1912.

**Charles W. Brodie**, 48, well known insurance agent of Malden and Boston, ended his life by carbon monoxide poisoning in his car. He had been in ill health for some time.

**Roy A. McDonald**, 61, secretary and director of the Brooks & Stafford Co., Cleveland, died suddenly April 14 at his

## Duties Enlarged



RALPH R. CHAPMAN

Owing to the new arrangement at the head office of Corroon & Reynolds in New York City whereby D. E. Chilcote goes to St. Louis to take primary charge of field work, R. R. Chapman, secretary in charge of the western department at the home office, takes over supervision of a number of states that Mr. Chilcote served at the head office. Mr. Chilcote will continue his title as secretary. Both Mr. Chapman and Mr. Chilcote are former western field men and have firsthand knowledge of conditions in central western territory.

home in Lakewood. He had been with the company and its predecessors for 37 years, where he entered the employ of the old Brooks & Manning Co. in 1903 as an office boy. When the organization became the Brooks-Wilbor-Parsons Co., he was named secretary. Later the company merged with the O. M. Stafford, Goss, Bedell Co. and became the Brooks & Stafford Co. In addition to his duties as secretary, Mr. McDonald also had charge of loss adjustments.

**Clyde W. Miller**, 64, for more than 20 years president of the Preferred Fire of Topeka, Kan., died there following an operation. He had been active in Kansas politics for 35 years, was one of the state's best known financial figures and was a director of numerous institutions and associations. He was formerly president of the Cosmopolitan Life of Topeka and the Cosmopolitan Life of Fort Worth and with his brother, Will Miller, was a factor for many years in the Miller-Studebaker General Agency of Topeka.

**J. B. Patton** of the Richmond, Va., local agency of Chelf & Patton died at his home there.

**W. W. Hudson**, 53, Sturgis, Mich., local agent, died recently after a long illness.

### Little Rock to Get Reduction

**LITTLE ROCK, ARK.**—A reduction in fire insurance rates in Little Rock estimated at \$40,000 annually may be made soon.

The Arkansas Fire Prevention Bureau will advance Little Rock from fifth to fourth class as soon as the city council authorizes addition of 10 men to the fire department and officials give bureau assurance that improvements provided for by a \$50,000 bond issue voted last week are carried out.

Fire loss for **Webster City, Ia.**, during the year ended April 1, 1939, was but \$1,331, making the per capita cost 18.9 cents. During the previous year the loss was \$4,450.

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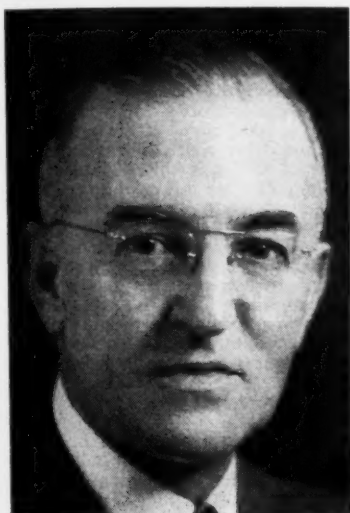
CASUALTY AND SURETY SECTION

Page Twenty-three

## Ploughing Deeply Is Necessary to Get Better Results

### Spencer Welton Gives Pointers to Business Getters in Dallas Speech

DALLAS—At the annual meeting of the American Association of Insurance General Agents this week Spencer Welton of Chicago, vice-president of the Massachusetts Bonding, who is one of the great conventioners of the country



SPENCER WELTON

and probably has as wide an acquaintance as any insurance executive because of his many contacts, acknowledged that he was attending his first convention of this particular association.

He urged those in the production end of insurance to plow more deeply. Every salesman may think of himself as a producer but too many are mere order takers, he added. There are but few people who voluntarily go to an insurance office and buy over the counter. The salesman should go out on the firing line and seek his prospects.

#### Producer is Defined

Mr. Welton said it is a safe generalization to say that a producer is an individual who gets many names on the dotted lines by sustained, systematic, intelligent effort and who uses yesterday's triumphs not as a cushion for repose but as a springboard from which to get a flying start toward greater victory today. He defined the order taker as a semi-inert biped who hangs about hoping that fortune will send him enough business to keep his name on a payroll and fully prepared to blame it

(CONTINUED ON PAGE 35)

## Cleveland Has Big A. & H. Congress

### Much Valuable Sales Material Brought Out by Battery of Speakers

CLEVELAND — Despite untimely April snowstorms, the Cleveland Accident & Health Association's sales congress drew a large attendance for both morning and afternoon sessions. A notable program of accident and health sales material was presented. President H. H. Hoard, National Casualty, welcomed the attendants. R. B. Coffman, Pacific Mutual Life, was chairman of the morning session, and C. F. Stewart, Massachusetts Bonding, presided in the afternoon.

George F. Manzelmann, vice-president North American Accident, asking "Is Accident & Health Insurance on Trial?" said two fundamental factors in the business have withstood the test of time: (1) Cash benefits for disability caused by accident and sickness, and (2) the agent and his services. In the present test with hospitalization associations, which do not meet either of these requirements these two fundamentals will prevail, he said.

#### How to Increase Production

William Dignan, W. E. Lord & Co., Cincinnati, offered practical ideas on "How to Increase Your Production." He suggested, however, that ideas without plenty of push behind them are worthless. He said each agent should develop his own ideas and adapt those that best fit him.

Policyholders in all branches of insurance represent prospects for accident and health, he said, and there is an excellent opportunity to sell them. He suggested accident and health approaches for use in connection with fire, automobile, plate glass and life insurance.

C. L. Krum, associate manager Aetna Casualty, Cleveland, speaking on "Security Through Building an Accident and Health Program," emphasized especially knowledge of the contract and a planned sales talk pleasingly delivered to good prospects. With renewals from old business and the new business that is written, he said this program, if consistently worked year after year, will bring security. He listed four C's in selling: (1) Circulate. See as many people as possible every day. (2) Contact intelligently. Try to know something about every person you call on. (3) Conversation. Know what you are talking about, because it is not the quantity but the quality of the things you say that sells more people. (4) Convince. Be in earnest, be sincere. Believe in yourself, your product, your presentation and your prospect. Create desire. Make them want protection."

#### Cornett Reviews National Program

He said large principal sums and large weekly indemnities are not in vogue as they were formerly. There are now more small-priced policies, but the good salesman keeps abreast of the times and still gets his orders.

W. B. Cornett, Loyal Protective Life, Columbus, president National Accident

(CONTINUED ON PAGE 36)

## Advocates Broader Bankers Bond Form

### Schiff Tells Cleveland Association Form 8 Revised Is Worth Higher Cost

CLEVELAND—W. J. Schiff, Philadelphia, assistant secretary Indemnity of North America, in a talk before the Surety Association of Cleveland, took issue with the belief of many surety men that the recent changes in bankers blanket bonds make it desirable in many cases to replace Form No. 8 Revised with Form No. 2. He said that the fundamental trend in insurance for banks is constant broadening of coverage and that this trend is overlooked by persons who favor a change to the more limited Form No. 2. He listed 17 points of coverage in which Form No. 8 Revised exceeds Form No. 2.

Under the latest revision, retroactive restoration up to \$100,000 is included in Form No. 2 without additional charge and this may be incorporated for amounts in excess of this sum at 20 percent of the basic bond rate. Rates for both Form No. 8 Revised and Form No. 2 were reduced under certain conditions and the cost of misplacement coverage under Form No. 2 was cut.

#### Voluntary Delivery Clause

Mr. Schiff pointed out that Form No. 2 excludes larceny or theft committed by any person to whom an employee of the insured bank shall have, except through dishonesty, delivered property or extended credit. There is no such exclusion in Form No. 8 Revised. He said that if this were the only difference, it would decide the issue to many minds. There are many known cases where a bank employee has negligently but not dishonestly handed over property to an imposter and Form No. 8 Revised, at a price, adds to the peace of mind and security of the banker.

While coverage against misplacement losses on the premises of the assured may be added to Form No. 2 by rider, Mr. Schiff said, Form No. 8 Revised also covers misplacement and mysterious unexplainable disappearance of property in transit, while Form No. 2 does not. It also covers damage to or destruction of property in transit. Likewise, under both the premises and the transit insuring clauses, Form No. 8 Revised covers loss of subscription, conversion, redemption or deposit privileges through the misplacement of interim certificates, warrants, rights or other securities which must be produced to exercise these privileges. He referred to the famous case of Manufacturers National Bank vs. Surety Company, 156 N. E. 94, in which a bank suffered a loss through inability to exercise a privilege and the loss was held not covered by a bond which did not specifically include this protection.

#### Broader Fidelity Section

The fidelity insuring clause of Form No. 8 Revised covers any "dishonest, fraudulent or criminal act" of any employee, while Form No. 2 covers only "any dishonest act." Mr. Schiff pointed out that Form No. 8 Revised might protect the assured for loss sustained

(CONTINUED ON PAGE 36)

## Equity Rating Plan for Boiler Line to Be Given Trial

### Formula on Large Risks Effective May 1 for Four Month Period

NEW YORK—The companies adhering to the rates of the boiler division of the National Bureau of Casualty & Surety Underwriters have voted to put into effect for a four months' trial period commencing May 1 an individual risk rating plan. It is designed to provide competition against non-tariff competition, such as that of London Lloyds, Mutual Boiler of Boston, Lumbermen's Mutual Casualty and Pacific Indemnity.

Boiler risks producing \$500 in premiums, machinery risks producing \$1,000 or risks where the combined premium for boiler and machinery is \$1,000 or more would be eligible. The maximum reduction in the premium is 25 percent. If the premium is reduced to that extent the producer who has been receiving 25 percent commission would get 3.3 percent. A formula is provided of premium and commission reductions from 25 percent to 5 percent premium reduction, the minimum under the equity rating procedure. The regular commission for boiler and machinery business is 17½ percent to the producer, 20 percent for regional agents and 25 percent for general agents. The plan would not be put into effect in certain states that have anti-discriminatory laws.

#### Variations in Practice

Some of the companies that do not belong to the National Bureau of Casualty & Surety Underwriters do subscribe to the boiler division and adhere to the rates, including General Accident and Employers Liability. Lumbermen's Mutual Casualty subscribes to the rates but pays dividends to assured.

London Lloyds compete on the larger boiler and machinery risks by way of excess contracts. These may be excess not only in respect of amount of coverage but in breadth of coverage. The rates that are quoted are 40 percent below the tariff and 10 percent commission is paid to the agent. Sometimes when the primary insurance in a regular company covers explosion only, the Lloyds' excess will cover for an additional amount in respect of explosion and will also provide breakdown coverage from the ground up.

A meeting of the boiler division was held the other day and a new committee was appointed. It will endeavor to work out a plan that might be more acceptable. If it does draft a program and it is adopted, that plan would automatically supersede the trial plan. If the committee on the other hand, should be unable to propose a plan prior to Sept. 1, the equity rating procedure would be abandoned on that date.

## Federal Rules Do Not Require Claim File Be Disclosed

BALTIMORE—The federal district court here refused to permit the attorney for the plaintiff in a personal injury suit to examine the claim file of the company insuring the defendant. The case has attracted much attention among insurance circles, because it interprets the deposition and discovery provisions of the new federal rules of civil procedure. Many insurance attorneys have feared that the rules might be construed as permitting this.

Pan-American Bus Lines, Inc., was defendant in a suit based upon the death of Vincis Montvila in Baltimore in May, 1939. American Fidelity & Casualty wrote the insurance through Markel Service of Richmond, Va. Before trial, the plaintiff's attorneys obtained a court order directing F. W. Trapnell, an adjuster for Markel Service to appear for examination and bring "any and all statements of such persons, drivers, passengers, porters and witnesses or accurate notes thereof, as may have been taken by him, or persons under his direction or control, or Markel Service, Inc., touching the issues in the above entitled cause." The defendant filed a motion to vacate the order and the court heard this question and decided in favor of the insurance company.

### Rule Permits Examination

The federal rules permit taking the testimony of any person, whether a party or not, at the request of either party for the purpose of discovery or use of evidence. Another section of the same rule permits examining a person upon any unprivileged matter relevant to the case, including books and documents and the identity and location of persons having knowledge of relevant facts. Counsel for the insurance company maintained that the examination requested here was intended only as a "fishing expedition" to discover the case for the defense.

In holding for the insurance company, Judge Chesnut stated that the adjuster was not a witness to the accident and that the statements of persons whom he questioned would be purely hearsay as far as he was concerned and would not be admissible in evidence at the trial. He also stated that it was not reasonable to require the insurance company to furnish the plaintiff free of charge with the results of an investigation which it had made at its own expense. The court ruled that Trapnell might be examined on any relevant facts which had come to his knowledge and could be required to give the names and addresses of persons who were at the scene of the accident, but that he should not be required to produce copies of statements made to him by witnesses.

H. B. Rollins and F. G. Goudy, Baltimore represented the defendants. Mr. Rollins discussed this subject last year at the convention of the Federation of Insurance Counsel.

### Dayton A. & H. Week Plans

The Dayton (O.) Accident & Health Association will inaugurate Accident & Health Week with a breakfast April 22. Sergeant Paul J. Price, head of the Dayton Accident Prevention Bureau, and J. L. Goetz, Travelers, will speak. F. C. Holloway, Pacific Mutual Life, is chairman of the Accident & Health Week committee.

The Dayton association will have a report luncheon April 29, at which production records of the member agencies and individual salesmen will be announced.

### Perkins & Geoghegan Luncheon

CINCINNATI—Perkins & Geoghegan, general agents Aetna Casualty, are giving a luncheon May 1 for brokers and solicitors. E. L. Adams, sales manager, is in charge of arrangements.

## Casualty Leaders in 1939 in Nebraska Are Listed

LINCOLN, NEB.—The Nebraska department lists the 10 stock company leaders in casualty business in 1939 as follows:

	Premiums	Losses
Travelers .....	\$469,410	\$147,693
Hartford .....	425,867	216,323
U. S. F. & G. ....	313,905	123,958
Employers Liability .....	271,100	169,938
New Amsterdam .....	178,397	72,285
Continental Cas. ....	177,208	52,438
National Surety .....	166,379	28,456
London Guar. ....	152,948	86,032
Fidelity & Cas. ....	151,904	42,154
St. Paul-Mercury .....	148,903	54,421

Mutual casualty leaders were:

	Premiums	Losses
State Farm Auto., Ill. ....	\$542,549	\$244,719
Employers Mut., Ia. ....	406,139	173,935
Lumbermen's Mut. ....	124,453	26,560
Hardware Mutual .....	75,630	32,724
Ben. Assn. Ry. Employ. ....	66,204	34,128
Amer. Mut. Liab. ....	62,651	21,084
Liberty Mutual .....	55,943	26,872
National Mut., Okla. ....	55,311	5,424

Nebraska assessment accident and health leaders included:

	Premiums	Losses
Travelers Health .....	\$517,303	\$379,079
Physicians Health .....	466,189	390,444
Mutual Benefit H. & A. ....	432,803	231,177
Physicians Casualty .....	385,024	252,933
World .....	369,972	139,629
Clergy Casualty .....	77,105	64,077
Central States .....	68,775	13,731
First Natl. Indem. ....	38,590	15,623
Metropolitan A. & H. ....	35,968	9,269
Associated Hosp. Serv. ....	23,684	8,413

### Hold Washington-Oregon Meeting

PORTLAND, ORE. — A combined convention of the Farmers Automobile Inter-Insurance Exchange and Truck Exchange for Oregon and Washington was held here with more than 200 in attendance.

Ray Lundy, manager of the northwest branch, covering Washington, Oregon and Idaho, was chairman. J. S. Saylor, Oregon state manager, was toastmaster at the banquet.

Commissioners Thompson of Oregon, Sullivan of Washington and Neslen of Utah were guests.

### Continue Va. Auto Rate Hearing

RICHMOND—The automobile rate hearing before the Virginia corporation commission, which started last week, was scheduled to be resumed April 18. The first phase of the hearing, during which inquiry was made into a proposal for substantial cut in liability and property damage rates, was completed after two days of evidence. The commission will receive this week petitions and evidence from stock companies and mutuals which wish to deviate from the standard rates proposed by the National Bureau of Casualty & Surety Underwriters and the Mutual Casualty Rating Bureau.

### Philadelphia Congress Speakers

PHILADELPHIA—John F. Leibig, Continental Casualty, chairman of the Accident & Health Week committee of the Philadelphia Accident & Health Club, announces that Ralph S. Robbins, outstanding New York life insurance producer, and Prof. C. A. Kulp of the Wharton School of Finance of the University of Pennsylvania will speak at the sales congress next Monday. Speakers previously announced were John A. Diebold, executive vice-president Indemnity of North America and president of the Insurance Federation of Pennsylvania, and William Edgar, resident manager of the U. S. F. & G.

### Industrial Activity Decline

According to the "Index of Industrial Activity" maintained by Lumbermen's Mutual Casualty, industrial activity declined 8.6 percent in March. The decline was general, the index decreasing 6.2 percent on the Atlantic seaboard, 10.5 percent in the middle west, and 5.9 percent on the Pacific Coast.

Though the March decline was the most serious in 11 months, the index was 14.6 percent above last March, and the first quarter was 24.7 percent above the corresponding quarter of last year.

## Julian Gives Views on Compulsory Legislation

Superintendent Julian of Alabama was requested by a correspondent to comment upon a recent article in THE NATIONAL UNDERWRITER concerning the inspection feature of the new Illinois truck regulatory act. The article was one that reported observations by Spencer Welton, vice-president Massachusetts Bonding. Mr. Welton praised the Illinois act, because it provides for rigid inspection of trucks. He contrasted that situation with the compulsory automobile insurance law of Massachusetts, whereunder the inspection feature is lax and the insurance companies are required to accept all of the risks that are offered.

Mr. Julian expresses the belief that the Illinois law is a step in the right direction "and so long as it may be kept within the realm of truck inspection and the correct licensing of truck operators it seems that something will be accomplished."

"I am of the further opinion," Mr. Julian asserted, "that compulsory insurance measures fail of the purpose for which they were intended; that where compulsory insurance is required by law naturally the authorities are lax in the requirements for safe drivers and for mechanical inspection. I favor a financial responsibility law rather than a compulsory insurance law. It will probably be several years before anything is worked out of all of this discussion. When trucks and buses take the place of other transportation, the same sound inspection service should be given as is required of railroads as to safety devices and competency of engineers and other operators."

### U.S.F.&G. Plans Two Ohio Meets

Two U.S.F.&G. regional meetings will be held in southern Ohio next month, one May 7 at Dayton, and the other May 9 at Chillicothe. U. L. Trice, Cincinnati manager, will preside at both meetings. J. Dillard Hall, assistant superintendent of agencies, will speak at both meetings, and talks will be made by the following members of the Cincinnati office: H. B. Hupp, superintendent casualty department; A. S. Herring, superintendent surety department; J. H. Moesta, claim superintendent, and Hoyt Hammer, special agent Fidelity & Guaranty Fire. A feature will be an "Information, Please," quiz.

### HOLD REGIONAL IN PITTSBURGH

PITTSBURGH—About 150 agents from western Pennsylvania and West Virginia attended the regional meeting here of the United States Fidelity & Guaranty. The speakers list was headed by O. R. Leeds, assistant agency director.

### Hold Meeting at Altoona, Pa.

The Pittsburgh branch office of the Hartford Accident held an agents' meeting in Altoona, Pa. Speakers included F. E. Bradenbaugh, Pittsburgh manager, and Vernon Olson and A. M. Battistini of the Pittsburgh office, who spoke on burglary and automobile insurance respectively.

### N. J. Compulsory Bill Dead

TRENTON — Thanks to the fight made by general agents and casualty men throughout the state, there will be no compulsory automobile legislation in New Jersey this year. The bill introduced by Assemblyman Ferter is practically dead and has no chance of being revived at this session.

### General Accident 60th Subscriber

General Accident has now officially subscribed to the list of casualty companies maintained by the National Association of Insurance Agents that agree to the doctrine of the ownership of expirations. It is the sixtieth casualty company now operating officially under this principle.

## Birmingham Bar in Sharp Retort on Adjuster Decision

BIRMINGHAM, ALA.—In a petition for a rehearing, the Birmingham Bar Association took sharp issue with an unfavorable decision of the Alabama supreme court in its suit against a score of insurance companies and adjusters. The bar group sought a declaratory judgment and injunction to prevent the unauthorized practice of law, but the court in upholding the lower court held that the proper way to proceed against defendants was individually and by quo warranto proceedings, which involves a trial by jury.

"The position taken in the opinion," said the bar's petition, "that quo warranto, which carries with it the right of trial by jury, is the sole and exclusive remedy, has the effect of depriving the court of its power and relieving it of its duty to suppress the unlawful practice of law and transferring that power and imposing that duty on Alabama juries instead of on Alabama judges."

### Bar Admits Rebuke

"Any person who unlawfully practices law, says the court in effect, should be punished, but any bar association which undertakes to set the machinery in motion by which punishment may be administered must suffer a rebuke from the state's highest court. We feel rebuked, unjustifiably rebuked, and we don't know what to do about it. We would be less than frank if we failed to state that at the outset we do not expect to accomplish very much by the application for a rehearing."

Even more sharply, the bar group stated that the high court in its decision "gives us the impression, by action that speaks louder than words we are familiar with, that perhaps the members of this honorable court do not want to be bothered with this kind of litigation and would prefer some kind of compromise of this matter to a clear cut decision of the controlling questions in the case."

The petition further asserted that "the opinion in this case is just 'foggy' enough to keep a trial judge from ever doing anything about the unlawful practice of law." It added that the effect of the decision is to make "judicial enunciations" of every trial judge in the state.

The bar group pointed to "the ineffectiveness of the quo warranto proceedings" in its case against J. L. Wilkey, Birmingham independent adjuster. It was argued that enough time had been wasted arguing matters of procedure in this case to settle every such case in Alabama. Wilkey was enjoined twice by a trial judge from "practicing law" but each time the high court reversed the decision on matters of procedure. It is now back to the circuit court for a third hearing when set.

### Newman Heads Auto Underwriters

Ralph Newman, United States Casualty, was elected chairman of the Automobile Casualty Underwriters Association of New York at its annual meeting. Other officers are: T. D. Miller, Jr., United States Guarantee, vice-chairman, and B. E. Farley, Phoenix-London group, secretary.

### General Accident Makes Cut

General Accident has reduced its rate on commercial cars in Illinois 10 percent below the tariff of the National Bureau of Casualty & Surety Underwriters. It follows the National Bureau classifications, including the new class 5, but is 10 percent off at every point.

Robert S. Andrews, local agent of Sioux City, Ia., who suffered a heart attack the first of March, is recovering and is expected to return to his office part-time before the end of the month.

## Stress Value of Accident-Health at N. Y. Congress

NEW YORK—The annual sales congress of the Accident & Health Club of New York presented two informative addresses, an amusing skit on business solicitation, an interesting series of questions and answers on accident and health coverages.

In his welcoming remarks, W. T. Hammer, Commercial Casualty, president of the club, declared accident insurance is simple and easily understood, furnishing lump sum payments for major bodily injuries, an income during disability and assuming either a percentage or all of the expense incident to an accident. He marveled that the average man, while promptly securing indemnity to protect his material possessions, is often reluctant to buy protection against accidental death or the results of disabling injuries, which may and often do prove far more serious than the loss of physical property. That attitude of mind, Mr. Hammer stated, should be overcome by the solicitor through persistence and intelligent selling methods.

### Falvey Gives Accident Statistics

W. J. Falvey, vice-president Massachusetts Bonding and chairman of the National Safety Council, told of its activities and cited statistics on the extent of accidental deaths and injuries last year. As rates for accident and health insurance are predicated on loss experience, he pointed out, any lessening of the number and seriousness of accidents will be reflected in premium rates.

The effort of the claim department, C. F. Demsey of the Travelers said, is to aid the business producer both in retaining risks on his books and in gaining new assured. Hence it is desirable for the agent and broker to maintain close contact with clients at all times; when a claim is filed to render all possible aid in effecting prompt and equitable settlement. Mr. Demsey said 94 percent of claims were meritorious, 5 percent call for careful scrutiny and 1 percent are clearly fraudulent. These should be resisted in the public interest. If the agent exercises care in explaining the contract fully to the assured and notifies the carrier as well as the assured of any material change in the latter's occupation, claim settlements would be expedited and friction avoided.

### Questions Asked From Floor

Among queries propounded from the floor was one as to how accident rates are determined. The answer was that they are based on the average loss and expense factors of companies, filed through a central bureau. While the rates now charged are adequate, it was pointed out the reverse held true for several years prior to 1939.

Another question was as to what the effect hospitalization through various agencies had on the business of insurance companies. So far from having injured the sale of accident and health contracts, it was maintained, the advertising given the advantages of hospitalization by the federal and various state governments had enabled the companies materially to increase their business.

### Reason for Older Age Rates

It was asked why persons over 50 are charged a higher premium than those of younger years. The answer was that the rate is predicated on the cold logic of loss experience. Another inquiry was as to why an applicant is not informed, nor can he learn, the reason for his rejection. Information of this character, it was stated, is held strictly confidential, primarily because to reveal it might cause distress to the applicant. The company also might be made the target for a damage suit. No one in the room could answer the query as to what non-admitted companies are privileged to use the mails in this state.

## New Auto Policy Effective May 1

NEW YORK—The National Bureau of Casualty & Surety Underwriters and the American Mutual Alliance have set May 1 as the effective date for the revised standard automobile liability policy. It is expected that member companies will agree to adjust losses occurring after that date on the basis of provisions in the new form, although continuing to use up their supplies of the old form.

The changes were described at some length in THE NATIONAL UNDERWRITER of April 4.

## Accountants Need Special Coverage

At the meeting of the accountants' association of New York City, the guest speaker, noting the ever present possibility that accountants might be held financially liable by employing corporations or individuals for failure to detect irregularities in accounts which subsequently result in heavy financial losses, urged all to secure adequate indemnity against such hazard.

Accountants' liability cover written by a number of surety companies is designed to take care of claims made against accountants resulting from a breach of implied warranty of their competence. The contract forms or rates are not under the jurisdiction of any bureau, but instead are prepared and filed direct by the issuing companies with the different insurance departments. The field for the business is an attractive one. Several recent large defalcations by trusted corporation employees, which periodic audits failed to reveal, have emphasized the need for such indemnity.

## Los Angeles Organizations Hold Get-Together

LOS ANGELES—An address on "Statism or Government Encroachment on Business," by J. J. Miller, special counsel Individual Enterprise Alliance; an exposition of the plans for the celebration of National Accident & Health Week, by John Ford, chairman of the committee in charge of the observance, and an address on accident and health insurance by C. H. Davis, manager eastern accident department Pacific Mutual Life, Chicago, were the features of a joint meeting of insurance men held here. Attendance was about 400. The affair was sponsored by Insurance Post No. 513, American Legion, other organizations participating being: Accident & Health Managers Club, American Agency System, Automobile Claims Managers Association, Casualty Insurance Adjusters Association, Casualty Insurance Association of Southern California, Hollywood Insurance Agents Association, Los Angeles Life & Accident Claims Association, National Automobile Club, and Southern California Fire Underwriters Association.

John Ford, Pacific Mutual Life, chairman Accident & Health Managers Club committee on Accident & Health Week, told of the plans for observance of the week.

Mr. Miller spoke on the trend in government toward gaining control of insurance. He said insurance holds the last reserve of the people amounting to 93 billions and that 85 percent of this is life insurance. He said radical government leaders know if they can get control of insurance they can wreck the American profit system. The only issue is to keep government doing its legitimate job and nothing else.

Fred Dawes, who a year ago purchased the C. W. Elliott agency at McLeansboro, Ill., has sold the agency to Ralph Prince. Mr. Dawes' health has not been entirely satisfactory.

## Sell A. & H. on Needs Basis, Simplify Sales Talk: Malone

Two notable addresses, one on salesmanship — or "craftmanship," as he termed it—by E. G. Malone, home office general agent of the Time, and the other on building an accident and health agency, by John D. Rogers, Wisconsin manager Continental Casualty, featured the program presented by the Milwaukee Accident & Health Association at the April meeting of the Chicago association. A return engagement will be staged in Milwaukee next month, when the Chicago men will put on the program.

W. A. Kempf, Old Line Life, president of the Milwaukee association, headed a group of about 20 from his city and presented the Milwaukee speakers.

### Tell Simple Story in Simple Words

Emphasizing at the outset the need for adequate training of agents and stating that every attack on the insurance business is directed toward the unqualified agent as indicating the indifference of companies toward the public interest, Mr. Malone said accident and health men "must stop selling policies and start selling a service."

Public acceptance will be tremendously accelerated, he said, by reducing the story of income protection to simple, understandable language. "Let us tell a simple story in simple words," he urged.

"If our prospect can understand quickly and readily what we are saying, without having to wrinkle his brow in thought, he is absorbing our story. We must realize that fancy phrases attract attention to the phrases and away from the story you are trying to tell." Instead of using technical insurance language, it is necessary to gear the proposal to the individual's needs and to reach his emotions by means of word pictures.

### Must Meet Definite Needs

The recognition of need should not be taken for granted. The prospect must be shown how a disability can destroy his self-respect, the standard of living of his family, and everything he has worked for years to create. He referred to the great impetus given to the sale of life insurance through the idea of meeting definite needs and said if the same technique were adopted in accident and health insurance it will profit as greatly.

No man likes to be lectured or scolded, he said. His obligations can be pointed out, and the dire consequences portrayed, by letting the subject be another man. Women especially react emotionally rather than logically to any sales appeal. He pointed out that each occupation has its own peculiar problems and hazards, some of which he listed. To show what accident and health insurance will do for the prospect himself, it is necessary to make a careful analysis of his requirements and definite reasons for suggested coverage.

### Opposes Trick Approaches

Mr. Malone has no use for trick approaches and disguised proposals. Such methods, he said, suggest apology and in too many cases cause resentment. He urged that the public be given the proper picture of the function of an insurance company and said that it should be educated to look upon the business as an institution dedicated to public service rather than profit.

Mr. Rogers said that agents are the most important factor in building a successful agency. In selecting new men, he endeavors to convince himself that the prospective agent is (1) honest, (2) willing to work, (3) that he will pay the price and make the sacrifices that are necessary to become a high grade salesman and (4) "that I would like to

see 100 others just like him representing my agency."

After the agent is selected, the next problem is to get him into production. The real reason for any man engaging in the sale of accident and health insurance, he said, is to earn money. "There it is—an exchange of our time and efforts for money. Why money? Because we've got to have it to exchange for food and clothing and pleasurable things that we want for ourselves and those whose care we assume. And come to think about it, doesn't that sound about like the basic idea of accident and health insurance? Wasn't it designed to replace income lost because of time becoming worthless as the result of an injury or an illness? Basically, therefore, the logic for entering into the sale of accident and health insurance as a business is the same as the logic for the purchase of accident and health insurance. Time—money—food, clothing, etc. To the healthy person time is money and all that money can buy. For the sick person, there is no time—no money—unless a salesman had sold him accident and health insurance."

### Scans Claimants for Agents

A salesman, he said, will do a better job of selling when the actual results of an illness or injury are clearly shown to him. He makes it a practice constantly to scan the list of claimants for prospective salesmen. "This type of salesman has had a clear cut demonstration of the results of disability and knows that there is a place for the policies we sell."

Mr. Rogers' practice in this respect is based on his own personal experience. He started selling accident and health insurance about 15 years ago after spending nearly two years in hospitals—an experience which convinced him fully of the need for this coverage.

### Tell All Fundamentals

He considers that it is of paramount importance for the sales manager to educate the salesman thoroughly in every fundamental of the business. "Don't hide anything or don't duck anything," he said. "Show him every angle of the business. Prove to him the importance of a properly completed application. Convince him that it is dynamite to high-pressure a prospect. Impress upon him that words alone really don't make sales, but rather that it is the spirit behind the words that makes the sale. Do these things with your salesman—keep on repeating the procedure and you will have built a successful agency."

In commenting on Mr. Rogers' talk, Mr. Kempf said only one out of 10 accident and health agents appointed develops into a real money maker and that the general agents are largely at fault. Instead of picking up men who have failed at everything else, they should develop men who intend to give their entire time to accident and health insurance and will be a credit to the business.

### Moser Committee Has Meeting

The committee of insurance representatives, headed by Attorney Henry S. Moser of Chicago, that is pondering a proposal to set up an assigned risk automobile insurance plan for Illinois, is holding a meeting Thursday of this week. A meeting that was scheduled for last week could not be held. The committee is taking up the request of Insurance Director Palmer of Illinois that some sort of a scheme be set up to take care of those who are unable to get insurance under the new Illinois regulatory truck act and also for certificated risks under the financial responsibility law, who are unable to get coverage on a voluntary basis.

## Michigan Charges Against Reciprocals Are Dismissed

LANSING, MICH. — Following lengthy consideration of the points involved as brought out at a hearing, in two briefs, and in testimony presented in several court actions, Commissioner Emery of Michigan has dismissed as groundless, so far as valid evidence is concerned, a complaint of the Grand Rapids Association of Insurance Agents against two Kansas City, Mo., reciprocals and their representatives.

The Grand Rapids board, backed up by the Michigan association, had contended that the Casualty Reciprocal Exchange and Reciprocal Exchange of Kansas City, the Heart of America Agency, also of Kansas City, through its manager, D. L. Davis, and Frank D. McKay & Co., and L. C. Klesner & Co., Grand Rapids agents, had unlawfully contracted to furnish public liability and property damage coverage for the Western Michigan Transportation Company of Grand Rapids.

### Answers Charges

The commissioner, in a letter to Archie Millard, president Grand Rapids Board, disposed of each of the points raised by the agents. The commissioner pointed out that D. L. Davis had been acquitted of the charge of operating without a license in the Grand Rapids police court after his arrest on the complaint of agents. The court decision, Mr. Emery held, tied his hands since the department could not contradict a judicial finding. Judge Burleson had held that Mr. Davis was a salaried employee of the reciprocals and therefore required no license under the statute to solicit business in Michigan.

The contention that the reciprocals "knowingly and unlawfully" permitted Mr. Davis to split commissions with the McKay and Klesner agencies, was dismissed on the ground that "definite proof" had not been supplied by the complainants.

### Knew Power of Attorney

On the point that representations were made to the trucking firm to the effect that the reciprocals could issue contracts without requiring the furnishing of a power of attorney, Mr. Emery said that "inasmuch as the directors of the Western Michigan Transportation Company are business men quite thoroughly acquainted with the operations of reciprocals, they knew that a power of attorney must issue."

In answer to the charge that the reciprocal contracts covering the risks for the trucking firm were actually delivered Aug. 24, 1939, without power of attorney having been obtained, the commissioner replied that the coverage was not to take effect until Aug. 31 and that the policies could not have been in effect when delivered. By the time the contracts became effective, he said, there had been due filing and execution of the power of attorney requisite under the law.

In considering the charge that the reciprocals "unlawfully contracted for and insured" the truckline's risk in a "foreign insurance carrier not authorized to do business in the state," Mr. Emery stated: "This department is in somewhat the same position as many other departments with regard to reinsurance with Lloyds of London, and we are endeavoring to institute a program which will enable us to prevent this type of reinsurance which has been in existence in the state for many years."

The charge that the reciprocals' representative was guilty of twisting was refuted by citation of the fact that the new contract was not to become effective until expiration of the old policy, issued by the Hartford Accident.

W. O. Hildebrand, secretary-manager of the state association, indicated that

## Missouri Casualty Leaders Shown

	1939 Premiums	1938 Premiums	1937 Premiums	1936 Premiums
1. Hartford Accident .....	1,374,158	1,412,445	1,448,583	1,261,135
2. American Auto .....	1,141,747	1,202,414	1,383,725	1,311,403
3. Consolidated Und., Mo. ....	1,071,522	1,077,463	1,122,553	1,069,087
4. Liberty Mutual .....	968,056	876,827	1,017,442	761,319
5. State Farm Mut., Ill. ....	965,036	828,762	732,875	637,188
6. Maryland Cas. ....	908,479	993,817	1,048,012	965,856
7. U. S. F. & G. ....	781,129	637,830	702,257	753,743
8. Mo. Auto Club .....	741,014	674,261	650,194	590,511
9. Empl. Mut. Liab. ....	734,167	528,715	548,805	282,837
10. Trav. Indem. ....	715,324	308,733	196,875	166,496
11. Travelers .....	689,279	1,089,182	1,366,432	1,264,408
12. Fidelity & Cas. ....	667,616	718,451	774,763	721,203
13. Aetna Cas. ....	651,454	680,954	812,141	772,304
Aetna Life .....	259,707	221,411	230,581	179,452
14. Am. Mut. Liab. ....	639,001	692,985	874,619	572,309
15. Central Surety .....	611,319	622,457	553,086	481,511

while the commissioner's decision might be sound from a legal standpoint and based on a thoroughgoing investigation, he was not "entirely satisfied" because in the conclusions "certain factual material obtained and submitted as evidence of a statutory violation early in our proceedings are now made to appear erroneous."

### Coburn and Reese Publish Boiler and Machinery Text

James H. Coburn, vice-president of Travelers Indemnity, and Dale F. Reese, vice-president of Hartford Steam Boiler, have issued a new illustrated edition of lectures on boiler and machinery insurance. The book is regarded as one of the best treatises available on the subject.

There are 75 pages of text material, photographs, and schedules covering the history, underlying hazards, forms of coverage and underwriting rules and practices. It includes copies of practically every policy form, endorsement and schedule used in the business, and sells for \$1.

John H. Egloff of Travelers collaborated with the late Sidney B. Coates of Hartford Steam Boiler in collecting and sorting the photographs and pictures. Messrs. Coburn and Reese have given the boiler and machinery lectures for a number of years before the casualty students at the Insurance Society of New York.

### New Oklahoma Fund Counsel

In connection with the installation of Mott M. Keys, former rate expert for the state, as manager of the Oklahoma state fund, Mont Powell, Oklahoma City attorney, was appointed chief counsel for the fund, succeeding Orbie Siler.

### Van Akin Los Angeles Manager

LOS ANGELES—L. W. Van Akin has been appointed branch manager of the American Motorists and Lumbermen's Mutual Casualty in Southern California, succeeding the late Frederick S. Pier.

Mr. Van Akin came to Los Angeles from Cleveland about the first of the year as assistant to relieve Mr. Pier of some of the details of his work, and since Mr. Pier's death has been acting as head of the office. He has been with the Kemper group 19 years.

### Holmes Joins the Bureau

NEW YORK—R. S. Holmes has been added to the staff of the National Conservation Bureau of the Association of Casualty & Surety Executives. Mr. Holmes, a traffic engineer, has been assigned to the bureau's traffic division. He is a graduate in civil engineering of the Georgia School of Technology and formerly was employed by the Georgia state highway department. In 1938 he was selected for a fellowship in the bureau for street traffic research at Yale. Upon completing the course, Mr. Holmes became assistant traffic engineer in the employ of the Pennsylvania Turnpike Commission.

### See Political Blowup in Canton Mutual Investigation

BOSTON—A three-sided controversy has been engendered by the attempt of the special legislative investigating commission to delve into the history of the defunct Canton Mutual Liability and the affiliated Beacon Insurance Agency.

The commission was appointed to find out why some 15 casualty companies had closed their doors during the past decade. The commission turned to Canton Mutual three months ago. Commissioner Harrington was called upon to produce Paul Mannos, president of Canton and assistant treasurer of the Beacon agency, with the books and records of the agency. When nothing happened, Chairman Goodwin of the commission interviewed the commissioner. According to Goodwin, Mr. Harrington reported an officer had been sent for Mannos but he could not be found.

"Whereupon," states Mr. Goodwin, "the insurance commissioner referred the matter to Attorney-general Dever nearly three months ago and, although he had followed it up by letter and telephone, nothing had happened."

The commissioner was requested to make further effort and subsequently reported he had called on the attorney-general and been informed that Mannos had been communicated with and told to produce the records.

Still the books, or Mannos, did not show up and after conferences between the commissioner and Assistant Attorney-general Clapp steps were taken Friday for summonses to be issued for Mannos and the books, which were placed in the hands of deputies to be served.

The possibility of political officials being involved in the investigation and the fact that the state administration responsible for the investigation is Republican, while the insurance commissioner and attorney-general are about the only two members of the opposite party in high state office, is attracting much attention.

### Two Indicted for Claim Frauds

PORTLAND, ORE.—The Multnomah county grand jury has returned indictments against J. D. Becker and K. A. Wallace on charges growing out of collection of money from insurance companies and other concerns on fictitious damage claims for personal injuries. Becker is accused of attempting to obtain a total of \$265 from several companies for injuries alleged due to falls, and Wallace is charged with attempting to collect \$2,000 from a company for a fall in the J. J. Newberry store and for obtaining \$30 from the Portland traction company for a fall in a street car. In a previous indictment Wallace was accused of larceny of \$500 from the Pacific Indemnity on a claim he was injured in a fall in the Meier & Frank Company department store. Deputy District Attorney S. L. Hayes charged Wallace obtained several hundred dollars in fictitious claims in California before he began his activities in Portland.

## Study of "Non-Can" and Hospitalization Greatly Needed

BOSTON — The problems of writing non-cancellable accident and health business and hospitalization were reviewed by Commissioner Harrington of Massachusetts before the Boston Life & Accident Claim Association.

The writing of non-cancellable accident and health insurance is a problem that should receive careful attention, Mr. Harrington stated. No company should write the coverage in any form without first studying all experience available.

The progressive work undertaken by the Health & Accident Underwriters Conference in its study of non-cancellable accident and health insurance and the preparation of a table for use in computing reserves deserves commendation, the commissioner said. The Massachusetts and New Hampshire insurance departments are studying this table with a view to making recommendations relative to its adoption for standard use. "The actuaries who worked on this table recognized a problem which cried for solution and attempted its solution in a most constructive way. A long step forward has been taken in providing a uniform and adequate basis for arriving at reserves for non-cancellable policies."

### Praises Conference

"Praise should be given the Health & Accident Underwriters Conference and to Harold R. Gordon, executive secretary, for his patient and cooperative attitude displayed at a recent meeting of the New England commissioners. A free exchange of ideas at that conference resulted in a program which we believe will make unnecessary contemplated legislation in several of the New England states."

"The increasing country-wide demand for hospitalization and medical coverage on the part of the public has tempted unwary executives and optimistic underwriters to offer hospitalization policies at premiums which have generally been inadequate, particularly as respects policies which are sold to individuals other than employed groups," Mr. Harrington warned. "The wide market for this type of coverage has induced companies to attempt to write this form of protection on a competitive basis without sufficient deliberation. The number of policies accumulate so fast that the claim departments are over burdened with claims before the executives in charge realize that they have a staggering problem to contend with."

### May Demand Special Requirements

"Much of this business is written on the basis of periodic premium payments of less than a year and the necessity for enlargement of accounting systems, involves expenses not contemplated by premiums which the competition demands. Small companies should not attempt to write this type of business. Unless this caution is observed, legislation will be required which will make special capital or surplus requirements mandatory before a company can underwrite hospitalization insurance."

Mr. Harrington urged further study of the problem. "This is a matter that can and must be solved by the business itself, if legislative interference is to be avoided," he said.

### Safety Talk to Minn. Buyers

MINNEAPOLIS — "Eliminate unsafe practices and you eliminate most industrial accidents," was the advice which H. S. Lee, district supervising engineer for the Travelers, advised the Insurance Buyers Association of Minnesota at their April meeting.

Mr. Lee listed education, enforcement and engineering as the "three E's" in industrial safety work and said all three should play their part.

## SURETY

### Condemns Ky. for Shaving Salvage of Aetna Casualty

The Louisville "Courier Journal" the other day carried a feature article condemning the state of Kentucky for avoiding a moral obligation to the detriment of Aetna Casualty. J. H. Henderson, the writer, relates that in 1930, Aetna Casualty wrote a bond guaranteeing a deposit of \$3,224,385 in the National Bank of Kentucky at Louisville, that being the proceeds of Kentucky toll bridge bonds. Seventeen days later the bank closed its doors. In a few days Aetna Casualty paid the entire amount of the deposit, plus accrued interest to the state of Kentucky. Thereafter any dividends due the state on its deposit would go to Aetna Casualty.

Subsequently the receiver paid depositors dividends totaling 77 percent, which meant that Aetna Casualty should have received \$2,582,776 but the receiver ruled that the state was a stockholder in National Bank of Kentucky and hence was liable for an assessment on that stock amounting to \$52,163. The receiver deducted that amount from the dividend that was paid to Aetna Casualty. It seems that 101 years ago the state of Kentucky acquired some stock in the Bank of Kentucky. That stock belonged to the school fund of the state. When the Bank of Kentucky became the National Bank of Kentucky the state still owned the stock, credited on the bank's books as "State of Kentucky" deposit but actually belonging to the school fund.

"Aetna Casualty," Mr. Henderson wrote, "obligated itself only to reimburse the state for any loss in the toll bridge deposit. Surely that obligation did not include the payment of an assessment on stock in the bank. Whatever the legal questions, there is little doubt about the moral right the surety company has to recover \$52,163."

### Charges Collusion of Sureties

Cancellation of his bond of \$20,000 by the American Bonding is the basis for a charge of collusion among companies made by Matt Meehan, secretary-treasurer of the Longshoremen's Union in a report to its convention at North Bend, Ore. Meehan charges that the company cancelled his bond Feb. 13, without assigning any cause except "a change in our general underwriting policy" and the additional information that it was against the company's policy to disclose reasons for a cancellation. Since that time, Meehan stated, he had been refused a bond by numerous other companies. His report also cited the fact that President Harry Bridges is unable to secure automobile insurance for himself and the union.

### Minnesota Surety Men Elect

ST. PAUL — At the annual meeting of the Surety Association of Minnesota these officers were elected: President, Charles B. Coleman, Fidelity & Deposit; vice-president, Louis Green, National Surety; secretary, William Owens, Fidelity & Casualty; treasurer, David Carlson, Hartford Accident; executive committee, Arthur Andik, Aetna Casualty, and Harold Holker, Maryland Casualty.

Guests at the meeting were R. H. Hibbard of the Hartford Accident home office and Clyde B. Helm, secretary Insurance Federation of Minnesota.

### Burglary Birthday Drive

The burglary department of Continental Casualty Thursday is making an effort to establish a record for business developed in the course of one day. That is the date of the burglary department coming of age, as it was established 21 years ago. Agents have been

requested to devote their efforts on that day to the production of new burglary business.

### New West Virginia Figures

In the West Virginia casualty experience table printed in the April 4 edition, the figures of Eagle Indemnity and First Reinsurance were not included. Total premiums of Eagle Indemnity in that state last year were \$6,375 and losses were \$1,254. Principal items were machinery \$3,775 premiums and \$204 losses; auto liability, \$874 premiums and \$605 losses; surety, \$542 and \$-14; fidel-

ity, \$376 and \$324; steam boiler, \$279 and no losses; auto P. D., \$263 and \$51.

The premiums of First Reinsurance were \$984 and the losses \$72, all being accident and health. First Reinsurance withdrew from West Virginia as of Feb. 29, 1940.

### Rules on Maine Employees' Cover

AUGUSTA, ME. — In view of the fact that the state of Maine has adopted a new practice of no longer furnishing state owned automobiles for the use of state employees and instead allows a mileage charge for use of private ma-

chines in the course of duty, Commissioner Lovejoy has ruled that "automobile insurance of such employees should read 'Name of employee and state of Maine.' It would appear that this is sufficient notice to the company that the automobile is used at times for and on behalf of the state, and that the company having such knowledge would not deny coverage because of such use or because the employee was being reimbursed on a mileage basis."

The Cloyd Millar and H. D. Lingle agencies at Ashland, O., have been merged as the Lingle agency.



## The PROVING GROUND of fifty years

• Before marketing a new model, car manufacturers give it a road test far more grueling than anything it is expected to receive in actual operation. Bumps and jolts, twists and turns, desert sand and swampy mud, water traps, precipitous grades, heat, cold and high altitudes test every feature savagely. If the car survives without trouble, it's good!

In the past fifty years the Fidelity and Deposit Company of Maryland has been similarly tested. The fact that the F&D could go its way undisturbed, meeting all its obligations promptly and fully, and building up a stronger organization of agents and field men each year, is ample evidence of basic soundness.

The fact that the F&D bonds more people and transacts a larger fidelity and surety business than any other company is an additional tribute not only to the F&D, but to the advantages of specialized endeavor in this particular field.



FIDELITY AND SURETY BONDS • BURGLARY AND GLASS INSURANCE

# FIDELITY and DEPOSIT

COMPANY OF MARYLAND, BALTIMORE

## Lower War Losses Are Cheering to Marine Men

(CONTINUED FROM PAGE 2)

against night falling at the end of the day.

Questioned on the liability of marine underwriters for cargoes in scuttled German ships, Mr. Thorn said this is a question with which the British house of lords is wrestling and that anyone who would attempt to answer it at the moment would be sticking his neck out very far indeed. He said that scuttling of a ship to avoid imminent destruction or capture is definitely a war loss but that a number of German ships have been sunk by their commanders when there was not even an enemy vessel in sight.

Marine underwriters, Mr. Thorn said, are watching Holland, Japan and Italy very closely. The rates on outward bound cargoes in Italian vessels were raised this week. However, the general scale of rates has not been raised at all. Transatlantic rates, he said, are lower than the London scale and have been for a month. The war risk committee meets every day, just as it did in the early days of the present war.

### If Holland Is Invaded?

Mr. Thorn said that if Holland is invaded there are two situations: first, the status of Netherlands ships and second, the fact that the Dutch East Indies have been threatened by Japan. He said that there has been much confusion about the status of Iceland, which is not a Danish possession, contrary to the belief of many. The British have seized the Faroe Islands and so far as is known there has been no military occupation in Iceland or Greenland.

Underwriters, he said, are relieved at indications of the ineffectiveness of aerial bombs as compared with torpedoes or artillery shells. He said he was pleased at the fact that aerial bomb hits on the big British battle cruiser Rodney had not

succeeded in penetrating the deck. He said it appeared that an aerial bomb has about one-quarter the power of an artillery shell. A shell can penetrate before detonating, while a bomb explodes on contact.

### Economizing on Torpedoes

Mr. Thorn said there has been considerable misinformation on the amount of torpedoing that has been done by the Germans, most of the sinking having been accomplished by shell fire to save the expense of torpedoes. An American torpedo costs about \$25,000 and a German torpedo at least \$10,000. The torpedo, he said, is extremely intricate and takes longer to build than the submarine that fires it. He discredited reports that a torpedo had been invented that would leave no wake, although he conceded it is practically impossible for an ordinary vessel to dodge a torpedo even if it sees its wake.

Though the submarine is the most dangerous weapon invented by man, the surface raider is vastly more powerful, Mr. Thorn said. So far as is known no German raiders are now on the seas. He said the Graf Spee sank between \$10,000,000 and \$20,000,000 of shipping. With the coming of better weather there is less chance for a raider to slip out of Germany. During the world war the raider Moewe sank 43 ships and the Emden accounted for more than 20.

### Rates Far Below Last War

Comparing insurance rates in this war with those which prevailed in the last Mr. Thorn observed that both are subject to wide variations, but he said the current rate between this country and England is 4 percent on exports and 3½ percent on imports as compared with rates of 7½ to 10 percent during the first war. Rates were as high as 15 percent from California to Europe during the last war.

Mr. Thorn answered a number of questions from the audience following his talk.

## Supervising Agents Have Much to Do

(CONTINUED FROM PAGE 2)

the fire business, it will necessarily follow that agents engaged in local production will no longer be designated as 'general agents.'

He said the executive committee gave considerable attention to operation of company pools, and while association members have not yet been given recognition as general agents in such operations, they conferred with the Insurance Executives Association on the subject. He urged that the association efforts be coordinated with those of the National Association of Insurance Agents.

### No Arbitrary Stands

"Looking back over these 15 years," Mr. Lanagan concluded, "I can find no evidence of our association ever having assumed an arbitrary attitude on any matter affecting either its own particular interests or that of the business generally. Solutions have always been sought through cooperation and open discussion with all parties at interest, with the end in view that any action should not be taken that might be detrimental to the

## GENERAL AGENTS

Greetings from  
**C. E. DeWITT**  
**INSURANCE CLAIMS SERVICE**

Kirby Bldg.—Dallas  
(Established 1931)

This Independent Adjustment Organization welcomes you to Dallas. We are attuned to and understand General Agents' needs.

business as a whole although seeming to be of immediate benefit to our special interests."

He pointed out that selfish action on the part of any group, company, local or general agents without due regard to the general welfare of all can lead only to internal strife that will bring upon the business the condemnation of the public, as well as render it vulnerable to attack by those who seek to make it a part of the functions of government. He noted that more than 95 percent of all agencies eligible to membership are enrolled in the association, therefore, it is a truly representative body.

J. K. Shepherd of Little Rock, reporting as national councillor, stated that he expects to attend the meeting of the United States Chamber of Commerce in Washington, April 29-May 2. As chairman of the memorial committee, he referred to the passing since the last meeting of Gross R. Scruggs of Dallas and E. M. Schenck of Greensboro, N. C.

### Warrack Made Seattle Manager

NEW YORK—Kenneth F. Warrack, now assistant resident manager of the San Francisco branch office of the American Surety and New York Casualty, has been appointed manager of the Seattle branch office, serving Washington and Oregon. W. J. Lyons and S. H. Melrose, former managers at Portland and Seattle respectively, will continue as resident vice-presidents for both companies. The Oregon branch office has not been closed, as stated last week in THE NATIONAL UNDERWRITER.

### Farley with London Guarantee

NEW YORK—Paul U. Farley is now assistant resident manager of the credit department of the London Guarantee & Accident at its head office here. A native of Kentucky and a graduate of the St. Louis law school he practiced law there until 1921, when he joined the staff of the American Credit Indemnity in Philadelphia. A year later he was transferred to New York as eastern counsel and since then represented the company in the eastern states in legal and underwriting matters. In his new connection he will have executive duties, assisting W. E. Nickerson, resident manager of the credit department.

### Advertise Credit Program

NEW YORK—The insurance program of the National Association of Credit Men is being advertised in a full page in "Credit Executive," organ of the New York Credit Men's Association. A. L. Carr, vice-president National Surety, is chairman of the insurance committee of this organization, which prepared the page. The advertisement shows the insurance statement filed jointly by insurance and credit organizations and announces that this form is obtainable from the National Association of Credit Men.

### To Go on Five-Day Week

The Travelers will operate on a five-day week this summer beginning in July and continuing until after Labor Day. It will remain closed from Thursday, July 4 till the following Monday. Connecticut General Life will close Saturdays from May 4 to Oct. 1. Both companies will observe daylight saving time.

In celebration of the fifth anniversary of his connection with the Maryland Casualty, R. J. Hill, Jr., manager of the bonding department in the New York branch, was luncheon guest of his office associates.

W. H. Grimshaw, superintendent court division of the fidelity and surety department of the Aetna Casualty, celebrated his 30th anniversary with the company, Tuesday. He joined the organization in 1910, later becoming an underwriter in the bond department and superintendent of the court division in 1921.

## Two National Underwriter Publications Get Mention

THE NATIONAL UNDERWRITER and "Casualty Insurer" were highly recommended to Aetna Casualty agents who attended the one-day field school in Chicago.

A. E. Redding, field supervisor, who conducts the home office school, in his very interesting address given in conjunction with the great volume "Quid Faciendum" which he prepared, telling the story of the possibilities that lie in insurance selling, related that some of the figures should be credited to THE NATIONAL UNDERWRITER.

"We endorse this magazine," he said. "In our opinion it is the leading insurance magazine of today."

At one point in the address of A. D. Bryan, field supervisor, on automobile insurance, an agent asked where automobile list price quotations could be readily secured. Mr. Bryan stated that the back inside cover of the "Casualty Insurer" regularly bore this information, brought up to date.

## Recommend Laboratory to Examine Drunken Drivers

CINCINNATI—Establishment of a laboratory to examine persons accused of drunken driving was recommended by a committee of the Cincinnati Academy of Medicine. Present facilities at General Hospital, however, were termed "inadequate." The report was given to the Cincinnati Traffic Safety Council, and recommended also the granting of an \$1,800 psychiatry fellowship annually and the employment of a full time technician. Necessary equipment was estimated to cost from \$200 to \$500.

Determination of the blood alcoholic content was listed as the most useful laboratory test. "In Indiana, and possibly other states, drunkenness is defined for legal purposes in terms of a level of concentration of alcohol in blood or urine. The members of this committee are not convinced that such laws are justified on scientific grounds." However, "it is advisable from the medico-legal point of view to have specific and precise data that alcohol was present or absent in a given instance."

### Close Federal Land Value Case

SAN FRANCISCO—The liquidation bureau of the California department has closed its administration of the Federal Land Value Insurance Co. At the time of the liquidation order, the corporation held assets of a book value of \$479,979, largely in real estate. It was a Nevada corporation and due to certain inadequacies in its record in California, as well as to internal differences within the corporation, it was necessary for the liquidator to carry on a vast amount of litigation which was continued over a number of years. All claims proved in the liquidation proceedings were paid in full and the balance of the property, with an original book value of \$139,247, was returned to the corporation after a reorganization of the directorate which made the board representative of the stock interest.

### Accident Attorney Indicted

LOS ANGELES—Bingham Gray, Los Angeles attorney, bete noir of automobile insurance companies for some little time, has been indicted by the Los Angeles grand jury on a grand theft charge in connection with an automobile accident case. He is accused of retaining money belonging to his client. For some time Gray has specialized on accident cases, and has been successful in winning many of them, the verdicts against the companies and in favor of his clients running into large amounts.

The State Automobile Mutual of Columbus, O., held a Michigan meeting in Lansing with 75 in attendance.

## In Central New York



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SYRACUSE**

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600 rooms from \$3.00 single

## Casualty Net Premiums and Paid Losses in 1939 in MISSOURI

	Total Premiums	Total Losses	Auto. Premiums	Liab. Losses	Other Premiums	Liab. Losses	Work. Premiums	Comp. Losses	Fidelity-Surety Premiums	Fidelity-Surety Losses	Plate Premiums	Glass Losses	Burglary-Theft Premiums	Burglary-Theft Losses	Prop. D. & Coll. Premiums	Prop. D. & Coll. Losses
Acci. & Cas. ....	11,779	2,920	5,664	1,640	1,397	16	2,149	639	219	22,765	9,351	3,318	31,273	7,415	1,115	465
Aetna Cas. ....	651,454	263,461	181,209	52,631	124,181	22,567	147,092	78,631	111,893	22,765	9,351	3,318	31,273	7,415	40,679	14,383
Aetna Life ....	259,707	158,881	122	20,435	486	.....	884	1,095	.....	.....	.....	.....	.....	.....	.....	.....
Allied Mutual ....	21,765	10,931	59	1	.....	.....	.....	.....	14,531	8,492	1,280	537	5,790	1,627	60	274
Allstate ....	62,638	9,837	51,578	6,040	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	11,953	3,797
Amer. Auto. ....	1,141,747	513,301	921,898	404,267	.....	.....	27,537	7,924	.....	.....	.....	.....	.....	.....	192,319	101,110
Amer. Employ. ....	9,141	5,166	2,075	375	986	1,144	1,562	3,013	2,519	—8	306	60	697	50	93	507
Amer. Fld. & Cas. ....	142,673	138,490	120,209	108,700	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	22,464	29,790
Amer. Indem. ....	119,115	57,948	80,431	37,809	.....	.....	.....	.....	.....	.....	1,810	180	2,825	229	26,706	14,049
Amer. Motor, Ill. ....	42,719	22,876	26,541	13,681	1,267	650	6,168	4,278	234	.....	20	.....	14	.....	8,397	4,267
Amer. Mut. Liab. ....	639,001	277,273	53,577	32,369	80,935	24,975	480,711	203,288	4,209	3,951	125	7	907	201	18,537	12,482
Amer. Reins. ....	42,265	3,461	6,377	.....	7,147	.....	8,578	559	19,309	3,429	.....	.....	1,487	527	567	.....
Amer. Surety ....	236,252	94,141	21,222	9,772	31,572	12,639	12,346	6,740	148,357	61,258	3,372	1,236	13,468	578	5,915	1,918
Assoc. Indem. ....	33,015	17,256	328	2,837	3,073	90	28,168	12,930	360	.....	925	220	45	.....	116	1,179
Atlantic ....	43,442	15,892	39,234	13,709	—16	100	.....	.....	.....	.....	4,224	1,806	.....	.....	.....	277
Arex Ind. ....	5,555	2,078	747	.....	425	.....	.....	.....	.....	.....	.....	.....	.....	.....	132	3
Bankers Indem. ....	187,051	58,355	31,996	9,170	54,297	19,454	76,062	20,714	.....	.....	2,770	.....	1,326	247	8,225	5,103
Bituminous Cas. Corp. ....	237,729	88,300	.....	.....	22,556	2,179	212,080	85,892	.....	.....	.....	.....	9,941	1,697	3,993	229
Car & General ....	87,047	29,474	63,523	20,745	3,146	201	3,895	763	.....	.....	605	.....	1,020	710	14,858	7,055
Cas. Indem. Exch. ....	28,853	3,885	.....	.....	28,853	3,885	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Cas. Recip. Exch. ....	387,558	216,052	195,294	121,130	14,606	7,459	105,135	57,618	.....	.....	596	59	.....	.....	87,332	29,037
Central Mut. Cas. ....	194,745	92,508	94,568	50,798	.....	.....	.....	.....	.....	.....	14,166	4,193	.....	.....	46,559	22,677
Central Surety ....	611,319	245,994	202,601	106,245	84,633	35,713	130,497	51,042	97,391	18,294	14,932	5,306	22,715	3,820	57,728	25,198
Century Indem. ....	61,351	15,630	16,850	1,251	13,052	4,603	18,792	6,600	2,682	252	1,430	475	3,109	688	3,987	1,419
Columbia Cas. ....	105,970	27,002	8,554	328	16,428	3,029	30,327	16,217	11,159	1,148	2,588	427	8,640	175	3,785	1,185
Commercial Cas. ....	78,224	31,894	16,748	2,911	8,445	8,698	545	44	8,058	2,679	3,063	1,352	6,032	1,084	3,176	1,126
Commercial Standard ....	260,721	148,973	170,474	98,468	11,278	7,079	19,357	13,955	.....	.....	2,932	1,577	7,209	783	49,283	27,039
Consolidated Und. ....	1,071,522	464,417	249,984	125,682	84,571	16,895	580,022	270,957	.....	.....	.....	.....	.....	.....	97,249	39,853
Continental Cas. ....	578,725	239,649	73,580	19,316	41,030	6,090	61,088	23,959	24,744	6,302	4,343	926	11,452	422	17,339	5,915
Coop. Cas., Mo. ....	38,362	11,814	30,550	7,129	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	31	14,487
Eagle Indem. ....	51,934	27,145	12,307	9,534	20,646	9,602	6,986	5,212	2,893	13	1,421	654	1,497	110	3,454	1,403
Employ. Cas. ....	144,748	70,449	82,373	41,802	16,833	2,982	14,149	12,192	.....	.....	7,788	2,763	1,026	.....	21,457	10,557
Employ. Liab. ....	288,477	173,201	27,631	6,424	65,087	70,511	151,724	82,135	8,188	352	4,836	852	15,247	1,371	6,627	4,086
Employ. Mut. Cas. ....	15,238	4,002	3,564	21	4,771	1,075	4,724	2,465	.....	.....	504	.....	.....	.....	1,182	379
Employ Mut. Liab. ....	734,167	313,867	122,995	44,620	80,540	24,101	484,028	228,883	.....	.....	965	637	686	.....	44,953	15,626
Employ. Reins. ....	408,497	32,544	251,108	33,136	31,151	2,158	1,267	27,528	—26,494	.....	131	.....	7,888	1,720	25,756	10,505
Equity Mut. ....	287,432	130,004	140,582	67,395	13,241	5,612	38,876	30,516	1,733	.....	1,456	874	980	79	69,904	25,324
Excess ....	9,222	10,189	5,034	8,464	842	.....	683	.....	1,064	.....	.....	.....	103	96	1,466	1,629
Factory Mut. Liab. ....	5,025	2,647	3,911	2,027	.....	.....	.....	.....	.....	.....	.....	.....	11	.....	1,103	590
Farmers Auto., Cal. ....	205,966	51,295	99,548	36,176	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	80,386	36,332
Farm. Mut. Au., Wis. ....	1,656	5	663	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	657	.....
Fidelity & Cas. ....	667,616	281,244	130,216	66,612	126,381	54,112	181,147	104,301	92,609	23,322	20,549	5,776	33,677	4,033	32,417	10,944
Fidelity & Deposit. ....	406,340	124,281	.....	.....	.....	.....	.....	.....	382,639	122,993	740	166	23,961	1,122	.....	.....
Fireman's Fund Ind. ....	77,931	32,989	21,148	3,891	20,725	7,576	17,918	18,213	5,397	—47	1,740	541	2,736	187	5,112	2,022
Genl. Acci. F. & L. ....	271,132	79,374	65,443	17,465	83,120	21,008	58,251	22,070	.....	.....	10,238	4,155	13,101	1,740	15,987	5,431
Genl. Indem. Exch. ....	87,655	29,382	41,971	12,047	10,405	3,289	15,846	7,310	.....	.....	.....	.....	.....	.....	14,094	6,327
Genl. Reins. ....	90,531	44,648	21,218	.....	11,573	5,150	8,551	1,903	28,766	28,924	150	.....	6,124	173	868	.....
Glens Falls Indem. ....	47,193	8,156	8,757	925	16,342	1,147	7,408	2,941	2,214	—344	1,033	3,110	137	2,447	1,046	.....
Globe Indem. ....	216,979	89,821	62,294	29,428	47,811	21,217	46,897	26,968	35,997	3,164	3,337	2,040	7,840	397	16,755	5,456
Great Amer. Indem. ....	124,174	42,032	16,545	3,630	33,359	16,228	35,629	12,966	17,303	173	3,316	1,111	8,026	1,485	3,769	2,904
Guar. of N. Amer. ....	4,413	.....	.....	.....	.....	.....	.....	.....	4,413	—33	.....	.....	.....	.....	.....	.....
Hdwe. Mut. Cas. ....	281,570	93,719	137,427	39,102	26,770	3,860	64,653	35,753	.....	.....	6,641	2,033	5,548	2,266	40,532	13,705
Hartford Acci. ....	1,374,158	438,567	241,340	57,352	258,908	77,476	551,032	233,958	123,130	11,998	15,651	8,856	34,944	7,157	74,048	19,909
Home Indem. ....	50,129	14,480	26,603	10,750	7,002	725	.....	.....	2,835	.....	3,314	587	4,276	726	6,090	1,689
Hoosier Cas. ....	147	.....	62	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	40	.....
Illinois Cas. ....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Indem. of N. Amer. ....	85,484	28,676	22,311	5,114	14,522	30,604	11,047	5,996	12,300	12,617	3,657	822	8,923	486	5,951	1,219
Inland Bonding ....	4,112	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Int. Ex. A. Club, Mo. ....	741,014	260,869	437,006	162,792	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	155,678	74,479
Iowa Mut. Liab. ....	3,759	229	1,590	.....	346	.....	349	104	.....	.....	.....	.....	.....	.....	350	24
Liberty Mut., Mass. ....	968,056	402,483	109,081	48,584	126,876	33,202	675,768	301,707	12,737	4,657	615	.....	4,782	629	36,816	13,606
London Guar. ....	118,478	34,500	18,965	6,953	21,849	3,218	35,152	20,548	.....	.....	12	1,435	5,593	527	4,254	953
London & Lanc. ....	26,335	12,679	3,876	5,729	8,434	3,283	6,498	3,072	1,573	—8	480	58	2,571	345	910	269
Lumbermen Mut. Cas. ....	339,118	123,753	133,559	44,599	39,726	13,978	120,909	54,139	587	.....	1,890	460	3,035	102	31,085	10,345
Manufacturers Cas. ....	140,585	74,336	71,082	49,500	6,726	850	36,342	10,890	.....	.....	4,681	1,289	5,196	716	16,538	11,091
Mfrs. & Whls. Ind. ....	32,283	8,088	21,518	5,453	689	.....	.....	.....	.....	.....	.....	.....	.....	.....	6,342	1,035
Maryland Cas. ....	908,479	500,950	164,720	86,451	138,888	34,733	225,149	135,745	153,515	188,422	18,522	6,134	59,922	6,666	37,834	17,253
Mass. Bonding ....	531,787	180,651	86,450	29,289	113,352	35,443	69,919	36,480	154,449	32,300	14,173	4,645	22,599	4,474	20,745	8,376
Medical Protect. ....	38,230	15,395	.....	.....	38,230	15,395	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Metropolitan Cas. ....	66,592	23,747	21,208	6,899	13,404	3,004	263	2,616	2,342	261	3,079	1,241	3,252	597	3,911	1,474
Missouri Cas. ....	39,814	13,628	23,301	10,523	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	13,015	2,277
Mut. Commerce Cas. ....	26,151	.....	15,997	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	8,502	.....
Natl. Cas., Mich. ....	131,601	53,960	4,329	943	5,260	571	2,138	655	4,259	103	576	210	690	8	1,053	612
Natl. Indem. Exch. ....	12,564	1,837	2,711	458	.....	.....	.....	.....	.....	.....	67	.....	.....	.....	680	415
Natl. Surety, N																

	Total	Auto. Liab.	Other Liab.	Work. Comp.	Fidelity-Surety	Plate Glass	Burglary-Theft	Prop. D. & Coll.
	Prem. Losses	Prem. Losses	Prem. Losses	Prem. Losses	Prem. Losses	Prem. Losses	Prem. Losses	Prem. Losses
Royal Indem. ....	318,334	108,426	77,065	18,761	57,380	14,000	115,951	58,155
St. Paul Merc. Indem. ....	171,613	52,922	19,156	2,647	71,244	20,551	35,130	22,108
Seaboard Surety ....	30,149	278	.....	.....	.....	.....	.....	.....
Security Mut. Cas. ....	115,521	31,344	19,577	4,870	14,297	516	76,518	24,605
Shelby Mut. Pl. Gl. ....	24,699	11,389	.....	.....	.....	.....	.....	.....
Standard Acci. ....	375,848	124,945	56,784	17,426	64,074	17,984	149,811	68,013
Standard Sur. & Cas. ....	14,439	16,967	2,980	1,505	357	35	8,914	7,856
State Auto Assn. ....	448	.....	88	.....	.....	.....	.....	.....
State Farm. Mut. Au. ....	965,036	436,046	457,394	227,039	.....	.....	.....	.....
State Auto Mut. ....	5,551	28	3,126	21	1,037	.....	.....	.....
Sun Indem. ....	11,951	3,364	6,403	899	67,311	68,352	285,467	189,455
Travelers ....	689,279	504,255	18,763	84,742	155,601	10,621	237,869	59,299
Travelers Indem. ....	715,324	187,649	184,478	19,373	.....	.....	.....	.....
Travelers Mut. Cas. ....	61,736	35,066	40,501	28,535	.....	.....	.....	.....
Trinity Universal ....	12,378	13,369	69	10,100	2,994	.....	.....	.....
Truck Exchange ....	2,193	192	1,157	75	.....	.....	.....	.....
Un. Auto Ins. ....	8,213	2,113	5,114	441	.....	.....	.....	.....
U. S. Cas. ....	182,811	74,597	43,674	10,950	56,765	19,005	43,909	26,752
U. S. F. & G. ....	761,129	152,368	81,625	22,402	237,945	46,965	155,473	60,790
U. S. Guar. ....	202,050	57,155	66,145	20,015	59,765	25,480	9,120	1,096
Utilities ....	254,406	136,755	139,006	76,905	22,094	9,848	49,191	25,251
Va. Surety ....	323	.....	.....	226	.....	.....	.....	.....
Western Cas. & Sur. ....	660,650	232,037	253,535	96,610	92,879	39,677	88,101	50,720
West. Surety, S. D. ....	3,431	.....	.....	.....	.....	.....	.....	.....
Yorkshire ....	46,220	16,659	19,098	10,922	5,831	1,238	.....	.....
Zurich ....	315,117	138,811	51,234	27,339	32,610	11,683	108,826	41,182
Total, 1939 ....	29,681,457*	12,236,682*	7,122,728	2,991,385	3,119,698	991,384	6,399,014	2,995,518
Total, 1938 ....	28,627,796	12,496,387	7,100,233	3,311,318	3,095,070	1,136,612	6,095,417	3,140,752

\*Includes totals in accompanying tables and auto fire, theft, etc., of full cover writers.

## Other Classes of Casualty Business

ACCIDENT AND HEALTH		Premia.		Losses					
Aetna Cas. ....	173	\$	.....	U. S. Cas. ....	7,565	4,730			
Aetna Life ....	258,214		137,351	U. S. F. & G. ....	19,943	8,264			
Amer. Employ. ....	22		.....	U. S. Guar. ....	928	438			
Amer. Hosp. & Life. ....	18,483		16,076	Utilities ....	967	636			
Amer. Motorists ....	78		.....	Washington Natl. ....	301,620	120,860			
Amer. Reins. ....	60		.....	Woodmen Acci. ....	37,187	21,306			
Amer. Sav. Life. ....	129,458		60,106	Woodmen Cent. Health..	6,842	4,277			
Bankers Indem. ....	4,660		1,091	Zurich ....	107,677	45,497			
Ben. Ry. Employ. ....	158,905		100,182	Total, 1939 ....	\$6,618,986	\$3,152,449			
Business Men's Assur. ....	240,412		142,828	Total, 1938 ....	5,890,526	3,011,034			
Central Catholic Cas. ....	12,548		5,407	STEAM BOILER, ENGINE & MACHINERY					
Central Surety ....	822		376	Premia.			Losses		
Century Indem. ....	1,449		442	Aetna Cas. ....	455	\$	1,063	.....	
Columbia Cas. ....	7,276		3,952	Amer. Employ. ....	879		.....	.....	
Columbia Natl. ....	77,538		39,970	Amer. Reins. ....	740		.....	.....	
Columbus Mut. Life. ....	34		.....	Columbia Cas. ....	17,193		541	.....	
Commercial Cas. ....	32,035		13,706	Contl. Cas. ....	1,204		.....	.....	
Commonwealth L. & A. ....	55,337		13,332	Eagle Indem. ....	1,291		72	.....	
Conn. General ....	61,049		26,893	Employ. Liab. ....	6,962		4,708	.....	
Contl. Assur. ....	4,576		859	Fidelity & Cas. ....	24,318		2,304	.....	
Contl. Cas. ....	343,895		176,719	General Acci. F. & L. ....	1,431		150	.....	
Cosmopolitan L. H. & A. ....	76,023		16,848	General Reins. ....	1,983		.....	.....	
Gr. Amer. Indem. ....	1,439		543	Globe Indem. ....	3,620		5	.....	
Employ. Liab. ....	2,775		2,762	Hartford St. Boll. ....	99,961		19,559	.....	
Employ. Mut. Ben. Minn. ....	550		222	London Guar. ....	1,973		52	.....	
Employ. Reins. ....	37,493		12,410	Lumbermen's Mut. Cas. ....	6,762		10	.....	
Equity Mut. ....	660		204	Maryland Cas. ....	40,853		952	.....	
Equit. Life, N. Y. ....	174,312		113,674	Mutual Boiler ....	16,021		167	.....	
Excess ....	10		.....	Ocean Acci. ....	23,179		256	.....	
Farm. Au. Inter-Ins. Ex. ....	977		225	Phoenix Indem. ....	19		.....	.....	
Federal Life, Ill. ....	51,953		39,101	Royal Indem. ....	7,648		154	.....	
Fidelity H. & A. ....	30,968		8,921	Security Mut. Cas. ....	2,522		.....	.....	
Fidelity & Cas. ....	26,302		10,740	Travelers Indem. ....	17,406		386	.....	
Fidelity H. & A. ....	34,738		16,374	Total, 1939 ....	\$ 276,420		\$ 30,619	.....	
Fireman's Fund ....	3,155		606	Total, 1938 ....	267,956		22,594	.....	
General Acci. F. & L. ....	23,561		7,355	CREDIT					
General Amer. Life. ....	146,093		66,612	Premia.				Losses	
General Reins. ....	11,303		8,498	Amer. Credit Indem. ....	\$ 54,535		\$ 21,882	.....	
Glens Falls ....	3,889		1,233	Employ. Reins. ....	5,374		.....	.....	
Globe Indem. ....	4,428		1,146	London Guar. ....	22,722		1,959	.....	
Gr. Amer. Indem. ....	6,203		3,475	Total, 1939 ....	\$ 82,631		\$ 19,923	.....	
Gr. Northern Life. ....	67,014		32,933	Total, 1938 ....	102,538		98,883	.....	
Hartford Acci. ....	55,105		23,860	SPRINKLER LEAKAGE AND WATER DAMAGE					
Home Indem. ....	9		.....	Premia.				Losses	
Ill. Bankers Life. ....	68,678		22,270	Aetna Cas. & Sur. ....	\$ 5,149		\$ 2,738	.....	
Ill. Mut. Cas. ....	1,388		472	Commercial Cas. ....	123		294	.....	
Indem. N. Amer. ....	6,605		1,621	Indem. N. Amer. ....	163		137	.....	
Inter-Ocean Cas. ....	7,504		2,376	Great Amer. Indem. ....	24		60	.....	
Inter-St. Bus. Men's. ....	24,570		12,436	London Guar. & Acci. ....	45		187	.....	
Kemba Mut. Assn. ....	11,987		11,893	Metropolitan Cas. ....	42		.....	.....	
John Hancock Mut. Life. ....	10,616		4,412	U. S. F. & G. ....	249		136	.....	
Liberty Mut. ....	1,351		98	Total, 1939 ....	\$ 6,697		\$ 6,442	.....	
Life & Cas. ....	46,778		8,407	Total, 1938 ....	3,820		1,931	.....	
London & Lanc. ....	1,991		67	LIVE STOCK					
London Guar. ....	6,490		3,081	Hartford Live Stock ....	\$ 11,677		\$ 6,523	.....	
Lumbermen's Mut. Cas. ....	1,465		120	Total, 1939 ....	\$ 11,677		\$ 6,523	.....	
Maryland Cas. ....	63,332		24,170	Total, 1938 ....	15,112		15,661	.....	
Mass. Bonding ....	50,100		29,644	Iowa Exhibit Augmented					
Mass. Indem. ....	19,503		2,835	The figures of Mid-America Casualty were not included in the table on casualty experience in Iowa that was printed in the April 11 edition. Mid-America Casualty had premiums in Iowa last year of \$24,142 and losses \$7,690. Auto liability premiums were \$9,787 and losses \$29; compensation premiums were \$1,986 and losses \$3,431; auto property damage \$5,652 and \$167, collision \$2,061 and \$1,771.					
Mass. Protect. ....	239,884		118,936	The figures of Associated Hospital Service of Sioux City which had premiums of \$8,930 and losses \$2,775, also should have been included in the Iowa table.					
Metropolitan Cas. ....	19,089		7,655	In the Iowa casualty table, the net losses of Merchants Mutual Bonding of Des Moines should have appeared as \$4,283, instead of \$707.					
Metropolitan Life. ....	634,529		312,808						
Missouri Ins. ....	402,684		158,907						
Monarch Life ....	69,087		30,811						
Mut. Ben. H. & A. ....	537,486		270,863						
National A. & H. ....	6,419		2,940						
National Cas. ....	113,296		50,958						
National L. & A. ....	293,084		129,022						
National Protect. ....	74,030		17,334						
New Amsterdam ....	2,341		1,648						
No. Amer. Acci. ....	77,208		30,412						
Northern Life, Wash. ....	3,236		561						
Norwich Union ....	76		.....						
Occidental Life ....	5,930		1,450						
Ocean Acci. ....	67,225		28,988						
Old Amer. Mo. ....	18,445		4,459						
Ohio St. Life. ....	12,148		.....						
Pacific Mut. Life. ....	158,946		138,750						
Paul Revere Life. ....	52,755		32,744						
Phoenix Indem. ....	316		9						
Postal Life & Cas. ....	27,045		5,686						
Preferred Acci. ....	5,367		474						
Protective Ind. ....	87		.....						
Prov. L. & A. ....	132,489		57,895						
Prudential ....	91,163		28,054						
Reliance Life ....	262,054		113,621						
Reliance L. & A. ....	7,505		1,593						
Reserve Mut. Cas. ....	3,978		975						
Royal Indem. ....	3,361		2,183						
St. Paul Mer. Indem. ....	348		5						
Security Mut. Cas. ....	3		.....						
Standard Acci. ....	12,396		2,193						
Standard Sur. & Cas. ....	49		.....						
State Farm Life. ....	2,167		.....						
Sun Indem. ....	1,942		1,040						
Travelers ....	317,737		181,706						
Travelers Mut. Cas. ....	29		5						
United Ben. Life. ....	4,965		1,361						

## ACCIDENT AND HEALTH

### Compton Chicago Association Head

At the annual meeting of the Chicago Accident & Health Association last Friday, Donald E. Compton, manager Provident Life & Accident, was elected president. He has been first vice-president the past year and long active in



DONALD E. COMPTON

the work of the association. He is chairman of the committee in charge of the Accident & Health Week breakfast, to be held April 23, and reported at that meeting that an attendance of close to 800, the maximum that can be accommodated, is virtually assured.

Clay F. Lundquist, Fred S. James & Co., was elected first vice-president; George Robson, Connecticut General Life, second vice-president; W. Clement Stone, Combined Registry Company, secretary, and W. J. Baldwin, Retail Credit Company, treasurer. New directors are R. B. Kegley of Moore, Case, Lyman & Hubbard, retiring president; W. W. Pierce, Massachusetts Indemnity, and C. J. Pohl, United States Fidelity & Guaranty.

The meeting Friday was a joint one with the Milwaukee Accident & Health Association, which furnished the speakers for the program. Most of the Milwaukee contingent stayed over for the Chicago association's annual stag party Friday evening.

### Two Agency Management Sessions for Conference

A feature of the annual meeting of the Health & Accident Underwriters Conference in Minneapolis June 11-13 will be special sessions for agency management topics.

So interesting were the agency management sessions at recent annual meetings that the program committee decided to allot two half-days instead of one half-day to the agency management committee for its program this year.

Accordingly, a well-rounded-out program involving much discussion will occupy both the morning and afternoon sessions the second day of the meeting, June 12.

One session will be devoted to discussion of subjects pertaining to agency management in the field, and the other to topics relating to agency management in the home office.

Featuring the program will be a report by O. F. Davis, assistant agency director Illinois Bankers Life, based on a survey now being made from questionnaires on agency management, supervision, and training as viewed by over 2,000 agents.

Other speakers on the agency man-

agement program include Francis L. Merritt, vice-president and manager of agencies Monarch Life; T. T. McClinck, manager accident department Ohio State Life; J. S. Shaw, vice-president Brown & Bigelow, Minneapolis; Mansur B. Oakes, Taylor Publishing Company, Indianapolis, and F. B. Alldredge, superintendent accident and health department Occidental Life.

### First Medical Indemnity Insurer in N. Y. City Set Up; Question Adequacy of Rates

NEW YORK—A license has been issued by the New York department to Associated Health Foundation, Inc., a non-profit medical indemnity corporation, with offices at 57 West 57th street. Licenses were issued previously to similar corporations in Buffalo and Utica. Applications for permits to solicit subscribers have been submitted by two other corporations desiring to operate in the Metropolitan area.

The new concern will solicit in the boroughs of New York, Bronx, Kings

and Queens. The charges are \$18 per year for the individual subscriber, \$30 for both the subscriber and spouse, \$12 for each dependent child over 16 and under 18, and \$7.50 for each dependent child under 16. There will also be a \$1 enrollment fee in the first year. The contracts will exclude coverage for certain diseases and under certain circumstances. Otherwise the subscriber will be entitled to complete medical care without any limitations as to the amount of care required. In this plan, unlike those of Utica and Buffalo, there is no dollar limitation on the amount of medical care for which reimbursement will be provided, and no requirement that the subscriber pay for either the first calls in any illness or the initial expense in any contract year.

The control will be in a board of 25 directors, 15 of whom are physicians. Herbert Cannon is president, Dr. Allen M. Margold, first vice-president, Dr. Morris L. Bobrow, medical director, and Jesse Freidin, counsel.

### Question Adequacy of Rates

Some insurance experts who have examined the Associated Health Foundation's setup are dubious about the adequacy of the rates. They feel that the foundation has erred in patterning its rates so closely after those of the non-

profit hospitalization plans.

The hospitalization plans get by with charging less for a married couple than double the single rate because the single rate is redundant. The man with a wife and children gets more than he pays for under hospitalization but this is balanced by the premiums from single persons who get less than they pay for. However, the single rate under the new Associated Health Foundation's plan is understood to be just about adequate. Consequently, it is pointed out, there is not the margin in the single rate to offset the inadequacy in the family rate.

### Dependents Need More Care

It is pretty clear that children and married women require more medical care than either unmarried men or unmarried women. Yet the rate is decidedly less under the Associated Health Foundation's plan.

This does not involve a question of solvency for it is the physicians in the plan who in the last analysis are assuming the hazard. The danger of such a setup, however, is that if it forces upon its physicians an inordinate amount of work in proportion to their compensation the best medical men will shy away from the plan, leaving only the less competent. This situation would not be particularly important at first because

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## SPOTLIGHTED

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for a considerable time only a small part of the practice of any physician in the plan would be in connection with the plan's work.

A feature of the plan which tends to aggravate the overworking of physicians is that there is no "deductible" provision requiring the subscriber to pay the cost of the first one or two visits of the physician in each illness. If medical service can be had for the asking there are certain to be many calls which are almost entirely unnecessary and which cut into the doctor's time available for cases of real illness.

### Chicago to Have Big Crowd at A. & H. Week Breakfast

When the hot coffee goes on the table at 8 a. m. April 23 at the Chicago Accident & Health Association's annual Accident & Health Week breakfast, there will be nearly 700 on hand to eat wheat cakes and hear three outstanding speakers: Ralph A. Ferson, assistant secretary Hartford Accident; C. J. Zimmerman, president National Association of Life Underwriters, and Clark E. Nolan, president Illinois Brokers Association.

The gathering will be held in the Casino Room of the Morrison Hotel and careful attention is being paid to seating arrangements so as to avoid confusion and to get the breakfast started promptly. A large number of company officials and officers of other associations will be in attendance. Advance ticket sales are ahead of last year and many offices are staging sales contests, awarding breakfast tickets to the winners. As the Casino Room has a limited seating capacity an early sell out of tickets is anticipated.

### Midwest District Managers of General Accident Meet

Several head office officials attended the two-day regional conference of midwestern district managers of General Accident at St. Louis. Among these were W. H. Howland, manager accident and health department; D. W. Donley, superintendent of the department, and E. J. Lynch, in charge of the underwriting department. F. M. Walters of the head office was on the program but bad flying weather prevented him from getting to St. Louis, so W. J. Woodruff of the Chicago claim department A. & H. division, substituted for him. Sixteen district managers attended, pledging a quota of \$47,000 premiums for the next six months.

Mr. Howland led off the first day. G. H. Garretson, district manager, Chicago, and W. Welsh Pierce, manager Massachusetts Indemnity, Chicago, talked, the latter on the opportunities in accident and health production. Mr. Donley discussed building agencies and later held a round table discussion on the subject. Mr. Howland discussed 1940 objectives the second morning and there were talks on non-occupational disability policies, new general coverage with hospitalization, hospital expense and commercial policies. Mr. Garretson led a round table discussion on sales methods.

The Hospital Service Association plan was given credit for stimulating the sale of accident and health policies and it was decided by the managers to install complete hospital medical service in their branch offices as an added advantage in attracting life insurance salesmen and other insurance brokers to the sale of disability insurance.

### Dignan Elected President of Cincinnati Association

The Cincinnati Health & Accident Club has elected William Dignan, sales manager of the W. E. Lord Agency, president; Jack Eggers, Inter-Ocean Casualty, vice-president and secretary; W. A. Case, manager, Washington National, treasurer. E. Y. Lininger, manager Continental Assurance, has been

appointed chairman of the executive committee.

It is the custom for the officers of the previous year to have charge of the Accident & Health Week breakfast, although the new officers make all the arrangements. Accordingly C. L. Gurney, manager Mutual Benefit Health & Accident, will preside at the breakfast April 22. E. H. O'Connor, assistant secretary and manager of the accident and health department Bankers Indemnity, and past president National Association, will be the principal speaker.

Advance reservations show the attendance will greatly exceed last year's, with 150 anticipated.

### Pittsburgh Association to Admit Agents as Members

**PITTSBURGH**—The Pittsburgh Accident & Health Insurance Managers Association has amended its by-laws to open membership to agents. W. J. McClelland, Massachusetts Bonding, president, appointed a committee to draft the new by-laws and another to plan participation in the annual meeting of the National Accident & Health Association in Columbus June 5-7.

Commenting on the concern today over the hospitalization program, W. M. Ivey, Monarch Life, said: "When I started in business about 35 years ago we had a similar proposition. People are the same today as they were 35 years ago. They still need doctors, still need medicine, still need groceries, still need to pay rent."

"There are a good many free beds in hospitals. If a man is ill he can go to a hospital whether he has money or not; he can get a doctor whether he has money or not. There are no free grocery stores, no free houses. Your opportunity is just as good today to go out and sell cash benefits as it ever was."

Changes in the business over the years were described by H. S. Fouse, Industrial Life, who has been in the accident and health business 47 years, and R. J. Null, National Casualty, in the business 45 years.

### Travelers Experience Shown for Five Years

The Travelers has paid out \$18,656,170 in benefits under personal accident policies in the past five years. The automobile is the chief cause of accidents, according to this table:

	No.	Amount
Automobiles (including pedestrians struck by auto)...	29,529	\$ 6,769,344
At home—inside and outside .....	48,091	3,954,577
Pedestrians .....	18,538	1,621,463
Sports and recreation .....	30,236	2,710,202
Travel .....	3,377	668,856
Miscellaneous .....	5,483	899,173
Occupational .....	21,288	2,032,552
Total .....	156,542	\$18,656,169

### Security Mutual of N. Y. Is Now Active in A. & H. Field

The first accident and health policies of Security Mutual Life of Binghamton have been approved for sale in nine states. This marks the active entry of the company into the A. & H. field and several additional types of coverage are in preparation for release in a few weeks.

Now being sold by Security Mutual Life agents are: A non-occupational policy covering both accident and health with a hospitalization rider available; medical reimbursement plans either with or without weekly benefits for accidental injury; a standard accident plan providing indemnity without medical reimbursement but with special surgical and hospitalization features; and a health plan available only to men who own an equivalent amount of accident insurance in the company.

With a background of 54 years' operation, this company which has set up its accident and health department under E. A. Hauschild, author of "The Acci-

dent and Health Underwriters' Guide," is now making general agency appointments in open territories.

On the occasion of the Security Mutual Life of Binghamton entering the accident and health field, Associate General Agent H. A. Wedge at Binghamton, N. Y., wrote President F. D. Russell for policy No. 1. Accident and health insurance can now be written in New York state and as soon as other states approve the policies work will begin there.

### Announce Program for Omaha Cornerstone Rites

The program is announced for the cornerstone ceremony for the new home office of Mutual Benefit Health & Accident and United Benefit Life in Omaha, May 1. The meeting will be called to order by V. J. Skutt, vice-president. Dr. T. R. Niven will give the invocation. Jesse L. Haugh, vice-president Union Pacific railroad and president Omaha Chamber of Commerce, will give a talk on "Community Building." W. E. Cox, manager of the Kentucky-West Virginia division and president of the Managers Association, will give a talk on "Service by Managers." Then J. A. C. Kennedy, a director of Mutual Benefit H. & A., will be heard. Commissioner Smrha will introduce C. C. Neslen of Utah, president of the National Association of Insurance Commissioners.

Other speakers will be C. E. Forbes, secretary Mutual Benefit H. & A.; Dr. C. C. Criss, president of the company. There will be a sealing of the cornerstone. That afternoon the managers will have a meeting and there will be a banquet at the Omaha Athletic Club that evening. On May 2-3 throughout the days there will be a sales congress for the managers.

### Minn. A. & H. Week Committee

MINNEAPOLIS—A state-wide committee for Accident & Health Week in Minnesota has been named by H. P. Skoglund, North American Life & Casualty, chairman for this territory. Representing interests outside the insurance field are Dr. C. W. Mayo, Rochester; Jay Hormel, packer, Austin; Dr. Paul T. Seashore, Duluth; John Brandt, dairy leader; H. M. Craig, Charles Zeeland and Homer Thomas, safety workers, and the following insurance men: Harry Levant, president Minnesota Association of Insurance Agents; Clyde B. Helm, secretary Insurance Federation of Minnesota; Howard Hoene, president Duluth Life Underwriters Association; J. D. Twolig, U. S. F. & G.; E. W. Cameron, general agent Equitable Life of Iowa, Minneapolis; C. W. Streeter, Equitable of New York, and Arthur Devine, Prudential, St. Paul.

### Four New Conference Members

New companies admitted to membership in the Health & Accident Underwriters Conference include St. Paul-Mercury Indemnity, St. Louis Mutual Life, United States Life, New York, and Western Casualty & Surety, Kansas City.

These additions bring the total active membership in the conference to 98 companies.

### Rider Not Yet Approved

NEW YORK—The New Jersey department has failed so far to approve the rider to be attached to personal accident and health policies, assuming liability for the hazards of war, insisting that it be amended to guarantee premium refund for such period as the assured was exempt from war perils.

### WANTED

Casualty man with production experience. State age, experience, and salary expected. Address L-51, The National Underwriter, 175 W. Jackson Blvd., Chicago.

The Iowa department also objects to the form, which has been sanctioned in the great majority of states, Illinois being the most recent to give its approval. While the Illinois department charged the phrasing of the rider somewhat, the alterations were not held objectionable by the carriers, and are being used on contracts issued in that state.

### Gordon on Coast Trip

Harold R. Gordon, executive secretary Health & Accident Underwriters Conference and general chairman of the committee in charge of Accident & Health Insurance Week, left Saturday for a Pacific coast trip. He attended the final hearing held by the California department in San Francisco Wednesday on the proposed uniform provisions for group accident and health insurance and will address the San Francisco Accident & Health Managers Club at a meeting Saturday in preparation for Accident & Health Week.

### Form Birmingham Association

BIRMINGHAM, ALA.—The Birmingham Accident & Health Association, affiliated with the National association, was organized here with M. C. Crow, general agent General Accident, as president; Malvin Roseman of R. A. Brown & Co., vice-president, and W. M. Greenwood, general agent Washington National, secretary.

The association plans a breakfast meeting April 22, inaugurating Accident & Health Week, with 100 in attendance. The speaker will be Earl Schaffnit, claim manager Washington National. Some 200 window cards advertising Accident & Health Week will be placed and the event advertised in the newspapers.

### Nutt with National Travelers

DES MOINES—Virgil E. Nutt, former vice-president and director of the Washington National, has been appointed vice-president of the National Travelers Casualty of Des Moines.

He was vice-president and director of the Great Western of Des Moines and continued in the same positions when the company was taken over by the Washington National.

It is announced that one of his first duties will be to modernize the company policies and sales equipment.

### Plan San Francisco Broadcast

SAN FRANCISCO—Arthur S. Holman, manager Travelers; George W. Kemper, Fireman's Fund Indemnity, and E. J. Miller, Massachusetts Bonding, will be the "cast" for the radio broadcast to launch Accident & Health Week in San Francisco Saturday. Guy C. Macdonald will be master of ceremonies.

### New N. H. Association Elects

MANCHESTER, N. H.—The recently formed New Hampshire Accident & Health Association has elected C. Herbert Fowler, general agent Monarch Life, as president; W. F. Grant, Aetna Life, Concord, vice-president, and Louis Hazen, Continental Casualty, Nashua, secretary-treasurer. S. N. Marshall, Employers Liability, Manchester, is chairman of the executive committee. Other members are C. R. Childs, Travelers, Manchester; W. F. Wood, Monarch Life, Berlin; H. H. Davis, Metropolitan Casualty, Nashua; E. J. Edwards, Monarch Life, Manchester, and R. M. MacLeod, Monarch Life, Rochester.

### Analyze Athletic Exposure

NEW YORK—Now that the winter season is at an end accident underwriters are studying the loss experience as a result of sports accidents, particularly those caused in skiing. So far as can be learned no skiing fatalities occurred among insured, but there were injuries, mostly minor.

At the same time underwriters are studying the hazards of athletics. It is hard to draw the line, underwriters realize, between those who participate in sports occasionally, and those who are

semi-professionals. Frequently inspection discloses that applicants whose occupation is given as clerk, or some other preferred classification actually are employed to play in some sport that advertises the employer.

### Brink Speaks in Toledo

E. B. Brink, state manager Mutual Benefit Health & Accident, Detroit, spoke at the first meeting of the reorganized Toledo Accident & Health Club. He was accompanied to the Ohio city by K. H. O'Connor, Maccabees, president Detroit Accident & Health Association; Glenn Reitzel, Michigan Life, and R. M. Rowland, National Casualty, both past presidents of the Detroit group.

### Columbian National's Leaders

The Columbian National Life's leading accident and health agencies for the first quarter were H. A. Shearer, Boston; George L. Dyer, St. Louis; E. E. Lamb, Chicago; A. C. Newell, Atlanta, and Beardslee Agency, New York City.

### Manzelmann Jacksonville Speaker

JACKSONVILLE, FLA.—George F. Manzelmann, Chicago, vice-president North American Accident, spoke at a luncheon of the Jacksonville Accident &

Health Association, recently organized, on plans for Accident & Health Insurance Week.

### A. & H. Service Unit in Boston

Union Mutual Life of Maine is establishing a special service office of its accident department for the benefit of Boston producers. It will be on the 10th floor at 80 Federal street, next to the offices of the life department of Union Mutual.

### Importance of Time Stressed

LANSING, MICH.—The vital importance of time to the agent or solicitor selling health and accident insurance was stressed by W. O. Hildebrand, secretary-manager Michigan Association of Insurance Agents, in a talk to the Lansing Accident & Health Association.

Oscar Gunderson, engineer with the traffic and safety division of the state police, spoke on the need of educating the automobile driver to "keep his mind on his work."

### New Company in Little Rock

LITTLE ROCK, ARK.—D. J. Hurt will direct sales of the newly organized Dixie Life & Accident in the Little Rock district. George H. Burden, general contractor, is president; R. G. McDan-



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The client pays only for the coverages he desires and eliminates any unwanted protection.

Another forward stride in simplicity and saleability by the American.

iel, former state treasurer of Arkansas, secretary, and Ben D. Brickhouse, former mayor of Little Rock, general counsel.

The Dallas branch office of the Mutual Benefit Health & Accident and the United Benefit Life, under Manager Ernest Hundahl, has opened a district office at Galveston with C. B. Millican as manager.

Petition for appointment of a receiver for the Mutual Protective Association, assessment benefit organization, has been filed in Salt Lake City. It is alleged there are a number of claims for hospitalization, accidents and deaths without sufficient funds to meet them.

J. P. Donovan, 55, Cambridge, Mass., with the Travelers in Boston and New York for 25 years as an adjuster, died at his home.

## COMPANIES

### Suburban Auto of Lombard, Ill., to Celebrate Its 15th Anniversary May 11

The Suburban Auto of Lombard, Ill., will celebrate its 15th anniversary at the Sherman Hotel in Chicago the evening of May 11 with a banquet. The company has made excellent progress under the leadership of President E. F. Deicke. It has over \$700,000 of assets and with its \$200,000 capital its policyholders surplus is \$302,187. Last year its net premiums were \$406,153. Mr. Deicke has conducted the institution successfully. He is not a plunger. He is careful in his underwriting and has always been able to show a profit. Therefore, there will be some ardor in the anniversary celebration.

The Suburban Auto has 650 agents. President Deicke is inviting the agents and their wives to be present at this function. N. W. Oppenheim of Peoria, the senior field man, will preside over the festivities. During the afternoon all in attendance will be taken to the Cubs-Pittsburgh National League baseball game in Chicago. The agents are celebrating April as "president's month" in honor of Mr. Deicke. Considerable new business is being rounded up in his honor. There will be booths in the Sherman Hotel at which agents can confer with field or office men. Souvenirs will be given and prizes awarded.

The Suburban Auto operates in Illinois, Indiana and Iowa and has recently been licensed in Ohio. R. D. Paul of Bellevue, O., has been appointed Ohio special agent and is now engaged in planting the company in the state. During the first three months the Suburban Auto showed a 34 percent increase in premiums.

### Madison Company Expands

Farmers Mutual Automobile of Madison, Wis., is now actively developing business in North Dakota, South Dakota and Nebraska. It recently entered these states. Previously it confined its operations to Wisconsin, Minnesota and Missouri.

### To Pay 11% on Republic Auto

LANSING, MICH. — An 11 percent dividend to the 8,560 creditors with allowed claims against the defunct Republic Automobile of Detroit has been authorized by Judge Carr of Ingham county circuit court. George G. MaDan, receiver, advised the court he had \$65,579 on hand against approved and allowed claims of \$496,338.

The Occidental Indemnity has been admitted to Nebraska.

John T. Toher, has succeeded his late father as head of the H. J. Toher & Co. agency, Davenport, Ia.

## ASSOCIATIONS

### Casualty Engineers Sponsor Chicago Industrial Forum

The Casualty Engineers Association of Chicago hopes that through informal interchange of experience involving danger, injury or damage, the level of safety engineering work can be raised and thus enhance their own value to the insurance companies they represent. It meets the second Friday evening of each month to discuss all aspects of safety salesmanship with men well experienced in the particular subjects.

Because the small industrial enterprise cannot support a full time safety engineer, and because it produces too little premium to merit assistance from the insurance companies, a forum is held each year at which the latest industrial ideas are presented. All small industries are invited to send representatives. The forum, which will meet this year on April 30, will be co-sponsored by the Greater Chicago safety council as a part of the annual Mid-West Safety Conference.

Membership is open to engineers and inspectors of all casualty companies and the annual membership dues of \$2 cover all operating expenses. Since the sole purpose of the organization is to raise the level of safety engineering work in Chicago by the interchange of experience, the organization aims to have the name of every insurance safety engineer in Chicago on its membership list. A. R. Graham is president of the organization, and J. G. Loeding is secretary.

### Wilson Pittsburgh President

PITTSBURGH—New officers of the Casualty Insurance Association of Pittsburgh are: James R. Wilson, Travelers, president; Edward Sweet, Massachusetts Bonding, vice-president, and Creighton Cunningham, Zurich, secretary-treasurer.

### Buffalo Objection Made

At the meeting of the Buffalo Casualty & Surety Club a resolution was adopted that the New York insurance department be informed of automobile accident insurance policy advertisements now appearing in the Buffalo "Evening News," which are "misleading."

### Lovejoy Speaks in Boston

BOSTON—Commissioner Lovejoy of Maine told the Casualty Underwriters Association of Boston more careful underwriting is most important to companies, the public and themselves. He said they should assure themselves that policyholders know fully and completely what they are buying. Workmen's compensation is now showing a good experience in Maine and agents are doing

something never before heard of, soliciting the business, he said. Rates have been reduced and small concerns are being shown the value and reasonable cost of the protection.

### Discuss School Bus Rctes

School bus insurance rates were considered at a meeting of the Ohio Automobile Underwriters Association in Columbus. Another meeting will be held this week, when some announcement may be made as to the conclusions reached.

H. V. Lidell spoke before the April 15 meeting of the Oregon Casualty Adjusters Association, giving an Oriental travelogue.

## PERSONALS

W. C. Potter, chairman of Preferred Accident and Protective Indemnity, has gone to Orlando, Fla., to welcome a new arrival in the home of his daughter. Later he intends to go to Bradenton, Fla., to inspect the grapefruit plantation which the late K. C. Atwood, founder and long time president of Preferred Accident, laid out many years ago, and which has now become one of the show places of its kind.

R. E. McGinnis, president of Central Surety, has returned to Kansas City after a trip to the east. En route home he attended the banquet of the National Safety Council in Chicago at which an award was made to Kansas City.

F. E. Bradenbaugh, manager of the Pittsburgh branch of the Hartford Accident, was tendered a testimonial dinner by his associates Monday night in honor of his 25th anniversary with the company. He established the Pittsburgh office in 1920, handling all the business in the territory himself at the start.

Martin W. Lewis, president of the Towner Rating Bureau, was elected an honorary life member of the Insurance Club of Minneapolis during his recent visit to that city.

Attending the U. S. F. & G. spring training school at Baltimore is C. C. Liscomb of Duluth, son of C. F. Liscomb, past president of the National Association of Insurance Agents.

Clarence B. Hiron, president of the old Fort Wayne Mercantile of Fort Wayne, Ind., prior to its reinsurance by the Great Northern Life in 1927, and well known among accident and health men, died at Pasadena, Cal., after a year's illness. He was with the Great Northern for several years following the merger and in recent years had been with the Pacific Mutual Life in its accident and health claim department, traveling over a considerable part of the country, part of the time with headquarters in Chicago.

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NEW YORK



## Ploughing Deeply Gets Better Results

(CONTINUED FROM PAGE 23)

all on the depression if he gets only dribbles, the cats and dogs, that busier and better men pass by.

Mr. Welton said that people applaud the one and yearn to ostracize the other. He called attention to a third "infinitely more irritating group, the semi-effective producers, the ones who mean well but who mean well feebly." They have the ability, experience and contacts to roll up an impressive premium volume, but Mr. Welton said they suffer from complacency.

### Should Stimulate Desire

"They don't want enough things," Mr. Welton said. The failure of the order taker, in Mr. Welton's opinion, to be anything more is in the final analysis the fault of the man who directs production activities. Mr. Welton said that setting a mark for the producer to shoot at is all right but there is little excitement in the bare bones of a quota. He

advised that the supervisor should get the producer to think of increased volume in terms of creature comforts, luxuries, more gracious living or perhaps a month of plain loafing in what he regards as Elysian surroundings. In that way one awakens ambition which promptly translates itself into achievement.

Mr. Welton made the statement that "we are in a business which has an annual premium volume of about a billion dollars and which ought to be twice that." He asserted that "running the harrow of occasional solicitation over the insurance field will produce some results, but what the business has always needed and still needs for a full crop is more deep plowing with the sod busters, which we call systematic, continuous and intelligent followups."

### Must Sell Adequate Protection

The solicitor, he said, not only must show the prospect that he needs some protection but adequate protection. Most people who buy insurance, he said, think of it as a remedy instead of a preventive. They visualize the possibility of a serious loss at some vague future time and so they buy just as little in-

surance as possible with the thought of minimizing that loss when and if it does come. The moment a man buys a policy, Mr. Welton said, he adds to his organization a lot of trained experts who, however, do not appear on his payroll. He called attention to the fact that insurance companies spend millions of dollars every year to prevent illness, prolong life, to prevent accidents in traffic and industry, to decrease fire hazards, to diminish loss of life and property through conflagration, to diminish dishonesty and to prevent crimes of violence accompanied by or as a result of speculation. Every casualty company maintains country-wide engineers who are experts in safety work.

### Rates Fixed by Experience

Mr. Welton said, solicitors may have to argue long and vigorously before they can induce assured and prospects to make changes dictated by good business outside of the humanitarian factor. Yet insurance rates are immutably fixed by experience, and in almost exact ratio as life and limb and property are saved from injury and loss rates are reduced and the assured gets the benefit.

Mr. Welton referred to the survey

made by the National Association of Credit Men among 22,000 manufacturers and wholesalers, finding that 16,000 needed fidelity bonds and only 6,500 had bought. Out of those who hadn't bought 700 had not ever been solicited. He said that it is very rarely that people who buy fidelity bonds buy enough protection. He spoke of the losses sustained on fidelity bonds by some of the insurance companies last year amounting to \$3,520,570. Yet the actual loss to employers was \$52,468,905.

He said that general agents must convince their agents that it is their responsibility, and a very considerable one, to see that each client has all the coverage he should have in every line in which he should be protected.

### Small Percentage Real Producers

Mr. Welton made the rather astounding statement that about 90 percent of the bond business of companies is being written by approximately 10 percent of the agents. Special agents, he said, who work with agents should regard their visits primarily to show the agent how to produce for himself and not get him into the habit of expecting someone to do all his selling for him.

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## C. H. Franklin, Casualty Veteran, Is Retiring

C. H. Franklin, assistant to the president of Continental Casualty, and a veteran of nearly half a century in insurance, is retiring from business Friday of this week and plans to make his residence on the west coast. He has been with Continental Casualty since 1924. He has a close command of thousands of technicalities of casualty insurance. He was a member of the committee in 1910 that designed Schedule P of the annual statement blank and he was active in bureau work in years gone by. He was U. S. manager of Frankfort General until that company was taken over in the war.

## Restore Old A. & H. Provisions

Governor Lehman of New York has signed the bill which substantially puts the old standard provisions of accident and health policies back into the contracts to be offered in New York state. These provisions supersede changes made by the New York insurance code, which had caused some confusion without resulting in the benefits which had been expected.

## Carbone to Kansas City

D. V. Carbone, special agent of Corroon & Reynolds, who has traveled out

of St. Louis, has been transferred to the branch office at Kansas City as aid to State Agent J. C. Swisher. He has been with the group 10 years, going into the field after serving as an examiner. For a time he traveled in Ohio, being transferred to Missouri in 1936.

E. S. Inglis, vice-president Corroon & Reynolds, left New York this week for Chicago, planning also to visit Detroit and Kansas City and possibly attend the mid-year meeting of the National Association of Insurance Agents in Wichita.

## Big Accident-Health Sales Congress Held in Cleveland

(CONTINUED FROM PAGE 23)

& Health Association, discussed the "Future Program of the National Association and the Possibilities in the Accident and Health Business." He outlined the program for the annual meeting to be held in Columbus in June. He urged more attention to public relations, saying that "what the public thinks of us will determine our success"; promotion of more associations, attention to legislation and stressing the importance of the agency system.

Superintendent Lloyd of Ohio reviewed the work of this office and discussed the outlook for accident and health insurance, which he said in the

past had been a neglected branch but in recent years has forged ahead, building new organization and establishing itself more firmly. He praised especially the development of accident and health associations and said this development is of great assistance to his department in its work.

## Agent Should Keep Head

Taking up the troubled times today and the concern expressed over the future of the insurance business, in connection with the TNEC investigation and other developments, he said the great essential is for the insurance agent to keep his head. He praised the performance of insurance and said: "If the industry but keeps its head, it can rest its case on achievement. When the insurance agent comes under criticism, he shouldn't be discouraged. There is only one way to look at it: Is the agency system justified or not? If it is, there is no worry; if not, we should make adjustments."

Judge Lee E. Skeel of the common pleas court and president of the Cleveland Safety Council, speaking on "Accidents Do Happen," praised Cleveland's safety record and gave accident statistics particularly in regard to traffic accidents.

## Urge Prepared Sales Talk

Speaking on "Practical Sales Talks," A. W. Lorenz, resident manager Maryland Casualty, Cleveland, presented a strong argument for the use of a prepared sales talk. He said that there are at least 50 ways to sell accident and health insurance. "Pick the sales talk that fits you best and then use it," he advised. He suggested a few approaches and arguments for use in the sales talk. Many agents really make a sale, but fail to ask for the order, he said. If the prospects want to delay, he urged finding out why. He emphasized that the agent must believe in his product and express his belief by buying it himself. "About 50 percent of you are without it," he said.

Frank Polk, claim representative Travelers, showed how to use "Claim Settlements to Help Build Sales." Inefficient service can hurt a business for years to come, he said. Prompt settlement will cement good will and increase sales. Claims paid often lead to many other prospects because they see accident insurance at work. "Let people at large know of the service you render," he urged. Claim men, he said, feel that their greatest contribution is in building public good will.

## Schiff Advocates Broader Bankers Bond Form

(CONTINUED FROM PAGE 23)

through an employee assaulting and injuring a customer. Similar language in brokers blanket bonds is believed to cover in case an employee does something which violates the securities exchange act and this might also apply to a bankers blanket bond. Likewise, the fidelity section of Form No. 2 is limited to loss of property specifically defined in the bond, but this is not true as regards Form No. 8 Revised.

Mr. Schiff also said that Form No. 8 Revised specifically covers losses on the premises regardless of negligence on the part of any employee, whereas Form No. 2 has no such provision.

Forgery coverage under the insuring clause of Form No. 8 Revised may be broader than when added by rider under Form No. 2, because several conditions in Form No. 2 would apply to and limit forgery protection. Form No. 2 excludes all loss from authorized or unauthorized transactions in foreign exchange arising out of fluctuations, whereas Form No. 8 Revised contains no such exclusion. Mr. Schiff mentioned the case of a bank sustaining a loss of

\$1,000,000 where an employee involved his bank in large exchange commitments.

Form No. 8 Revised covers anywhere in the United States, Canada and within the territorial limits of any country in which any office of the bank is located. Form No. 2 restricts coverage to property in transit in the United States or outside the country within 20 miles of any office of the assured covered by the bond. Form No. 8 Revised also covers property within the offices of any agents of the assured or signature companies to a greater extent than does Form No. 2.

Other differences pointed out by Mr. Schiff are that Form No. 8 Revised covers "any loss," while Form No. 2 covers "any direct loss"; the premises insuring clause of Form No. 8 Revised covers in any recognized place of safe deposit, banking institution or clearing house, anywhere in the world, while Form No. 2 restricts it to such premises within the United States. Form No. 8 revised is more liberal in its requirements for notice of loss; gives the assured 15 months to bring suit, as compared with 12 months; has broader provisions for determining losses and gives the assured one year after cancellation or termination of the bond as an entirety in which to discover losses caused by an employee as to whom the bond may have been canceled by notice or by discovery of dishonesty, whereas Form No. 2 limits the discovery period to one year after cancellation of the bond as regards the employee.

## Should Not Take Step Backward

Mr. Schiff said that a "certain type of producer" will not want the coverage analyzed carefully, because he finds it expedient to get business by recommending the cheaper form. He said that banks should not take a step backward in the purchase of their insurance, that Form No. 8 Revised is the closest to all risk insurance available and that it is reasonable to say that Form No. 8 Revised, at reduced rates, has put the burden on Form No. 2 to justify the difference in cost.

The Surety Association of Cleveland honored two of its former members by awarding them life membership. They are Gould A. Hurlbutt, now manager of the bond department of the Travelers, Boston, and O. W. Schooley, now with the Fidelity & Deposit at Indianapolis.

## Winning Cities in Health Conservation Work Given

The winning cities in the city and rural health conservation contest sponsored by the U. S. Chamber of Commerce in their respective population divisions are: Milwaukee, Memphis, New Haven and Hartford, tied; Newton, Mass.; Greenwich, N. Y., and Plainfield, N. J., tied, and Englewood, N. J. The contests are conducted by the U. S. Chamber and the American Public Health Association jointly. The test is how competently a community is meeting its health problems.

The rural winners according to geographical locations are: Alger-Schoolcraft health unit, Michigan; Fayette county, Ky.; Lauderdale county, Miss.; Union county, S. D.; St. Mary's Parish, La.; Wasco county, Ore.

## Hold State Farm Auto Schools

With 135 agents attending an agency school was held in Lincoln, Neb., by the State Farm Automobile. Later in the week similar schools were held in Grand Island and Omaha. The school was conducted by M. C. Waterman, treasurer; Hodge Jones, superintendent of agencies; E. H. Fitch, supervisor of agencies, and Earl Fast, Nebraska underwriter.

Ernest Swingley, Ocean Accident and Columbia Casualty, will start a series of lectures on fidelity and surety bonds for the San Francisco Insurance Women's League, May 9. George Kelly, assistant manager Great American Indemnity, will discuss "Surety Claims" May 23.

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# POINTERS FOR LOCAL AGENTS

## Specific Cases Cited to Show Need for O. L. & T.

MILWAUKEE — Inasmuch as the phraseology of the O. L. & T. liability policy is so broad and inclusive and in fact is broader than the law itself, covering any and all claims except where specific insurance is necessary, it is essential to study actual cases to gain a comprehensive picture of the coverage, O. B. Sullivan, Aetna Casualty attorney in Milwaukee, stated before the Wisconsin adjusters meeting and school here.

There are only six coverages which the O. L. & T. policy does not provide: 1. Workmen's compensation or employers liability. 2. Elevator liability, unless specifically endorsed. 3. Automobile or teams liability coverage except within and upon the premises described. 4. Products liability or malpractice and professional liability. 5. Additional risks and added hazards of construction and alteration. 6. Liability of others assumed by assured under contract.

### Use Safe Place Statute

Mr. Sullivan pointed to the frequent use of the Wisconsin "safe place statute" in O. L. & T. liability cases. This provision is in Chapter 101 of the statutes captioned "Regulation of Industry." The workmen's compensation law is also contained in the chapter. "When one considers that 'places of employment' and 'public buildings' are unrelated and the relationship existing between landlord or tenant and members of the public—and that of employer and employee are vastly different, the combining of regulations in one statute presents a complex question of statutory construction."

The statute defines safe or safety "as safe as the nature of the employment, place of employment or public building will reasonably permit."

The scope of the law is so broad and it applies to such a variety and multiplicity of situations and relationships that it requires a breakdown or classification of the more common claim situations to permit an understanding of its far-flung legal significance, Mr. Sullivan pointed out. In each of the following Wisconsin cases an O. L. & T. policy would have insured the liability of the defendant:

### 1. Legal Liability of O. L. & T. to Members of the Public.

Bunce vs. Grand and Sixth Bldg.—238 NW 867—Action based on safe place statute, for injuries sustained in falling in toilet room of theatre, the stalls of which were in line on different levels. The injured had her two small grandchildren with her and was quite likely engrossed in the object of her entry, so as not to be anticipating or looking for impediments that might cause her to stumble. In entering one of the stalls on the higher level injured fell on step. Room was well lighted by ceiling lights. The building inspector and two architects testified that the construction was a proper one and safe. Three architects testified that it was not. When experts disagree in a jury case, the question can hardly be settled except by the jury.

Held: The jury held the premises were not safe and apparently believed the experts that testified that the premises would have been rendered safe if step had been eliminated and slope constructed from the floor level to the level of the toilet.

Note—This case is a leading case and definitely is an example of the dangers confronting an owner, landlord or tenant.

A public liability contract would have insured the theatre's liability in this case.

Kinney vs. Luebke—252 NW 283—Action for injuries sustained based upon violation of the safe place statute. Plaintiff patron of restaurant and a stranger to the premises injured in fall down basement stairs on way to washroom, caused by not having electric light at stairhead turned on.

Held: Owner required to "so construct repair and maintain" building so as to render it "as safe to frequenters as nature of premises reasonably permit." Owner, therefore, not liable—no structural defect. Tenant held liable—it was his duty to have the light turned on—its continued maintenance could have rendered place safe.

Note—The tenant in this case was faced with a \$1500 judgment, plus taxable costs and attorneys fees. An O. L. & T. policy would have completely relieved him of his expense and paid the judgment in addition.

### 2. Liability of Cities, Villages, Schools—to Public.

On May 28, 1931, the term "owner" in the Wisconsin safe place statute was amended to include the following, "Every person, firm, corporation, state, county, town, city, village, school district, sewer district, drainage district and other public or quasi-public corporations"—as well as any agent or servant thereof. This all inclusive language, abrogated or took away from cities, towns, schools, etc. the old tried, true and complete defense of "governmental function" in cases involving violation of safe place statute. This material change in the law opened a vast and almost unlimited field of prospects for public liability coverage.

Heiden vs. City of Milwaukee—275 NW 922—This action for damages, arising out of injuries sustained, in fall down four steps, leading to washroom, off the basement corridor is grounded upon Chapter 101—the safe place statute. Injured in this case, in response to typewritten invitation of children visited the Maryland Avenue School to attend exercises. She had never been in the building before. She was directed to the washroom by a 13 year old pupil. The hall leading to the washroom was but dimly lighted by light from outside sources; as she turned into the archway leading to the washroom, which was not lighted, she fell.

Held: City liable. Jury question—injuries in this case very severe and judgment substantial. The city's liability in this case was insurable under an O. L. & T. contract.

Lawyer vs. School of Mt. Horeb—288 NW 192—This case has been selected to point out by actual example the line of demarcation between cities' liability in cases where safe place statute applies and governmental function defense is not available and cases of a dissimilar nature. A child was killed by falling portion of flag pole located on the school grounds—but apart from the school building and, therefore, not affecting the structural safety of the building.

The Wisconsin supreme court held: That the school grounds and the sidewalk area around the flag pole could not be considered a public building and that the pole was not a structure within the meaning of the safe place statute.

Note—While the city was not held liable in this particular case, the O. L.

& T. policy would have insured to its benefit. The cost of investigating, preparing for trial, attorneys' fees and court costs incident to a trip to the supreme court were approximately \$1,000.

### 3. Liability of Charitable Institutions—to Public. (Hospitals, Churches, etc.)

Wilson vs. Evangelical Lutheran Church—230 NW 708—Action against a religious corporation and, therefore, a charitable institution, for injuries sustained in fall down several stairs at or near to the outside doors of said church. Injured in this case attended a church luncheon in the basement and it became necessary for her to leave before luncheon was concluded.

Held: The safe place statute makes no exceptions of religious or charitable corporations and there appears no reason why it does not apply to a place of worship maintained by a religious corporation. The sole defect here was failure to maintain a properly lighted passageway.

Note—The complaint in this case made no reference to safe place statute and complaint was dismissed in lower court but the supreme court found from the facts a violation of the law and reversed lower court. An O. L. & T. policy would have insured the liability found to exist against the church.

Jaeger vs. Evangelical Lutheran Congregation—262 NW 585—Action based upon violation of the so-called safe place statute. Injured was acting as a hostess at meeting of ladies aid society and plaintiff while taking one of the folding chairs from a pile, was injured by the falling of the other chairs from the pile.

Held: It is well established by the authorities that the safe place statute applies to corporations organized for religious and charitable purposes but the statute was not violated here by permitting a temporary condition to exist wholly dissociated from the structure.

Note—While the defendant here escaped liability because of absence of structural defect, the cost of investigation, preparation for trial, trial in lower court, and appeal to and argument before the supreme court was approximately \$1,000.

These cases abrogate or take away a second defense. In cases against cities and towns the governmental defense failed and fell before the provisions of the safe place statute and now the charitable institution defense has met the same fate and is abrogated as a matter of law.

### 4. Assumption of Risk—Defense.

Bent vs. Jonet—252 NW 290—In this case a paying spectator at football game was injured through fall from top of temporary wooden bleachers.

Held: First, bleachers constituted a "public building" within meaning of the statute. Second, the fact that injured deliberately bought a bleacher seat, paying a smaller fee, did not mean he assumed the risk. The doctrine of assumption of risk has no application, once it is established that injured was a member of the public and in a public building. Injured recovered \$4,575.

Washburn vs. S. Kogg—233 NW 767—Action based upon violation of safe place statute and violation of order of industrial commission requiring handrail on stairs. A salesman was injured when he had gone upstairs with the defendant to inspect stock. Following the inspection, defendant turned off the light and went down steep stair quite rapidly ahead of injured.

Held: Voluntary frequenter is entitled to benefit of safe place statute and does not assume risk. In fact, he could properly assume it to be safe, without

giving physical situation especial consideration or attention. Jury gave injured \$2,113 to compensate him for a fractured ankle.

Note—These cases are authority for the rule that a member of the public does not assume the risk and a third defense is taken away from owners, landlords, and tenants. "The assumption of risk" against claims and suits is inverted and rests squarely upon the owner, landlord or tenant and should and could be insured against. The responsibility of insuring these hazards that confront the owners, the landlords, the tenants rests with the agent. It is doubtful that potential purchasers of public liability cover know these things and the duty to explain them is in the agent's hands and is his obligation and duty.

### 5. Liability of Owner to the Tenant or Occupant.

Zeininger vs. Preble—180 NW 844—Injured occupied apartment in rear of fourth floor of 35 apartment house building. Her apartment opened onto a porch used by other tenants. Floor gave way while she was hanging up clothes.

Held: Porch used as common passageway by tenants and subject to safe place statute. Jury found floor of porch was defective and unsafe and awarded \$3,500 damages to tenant against the landlord.

Ingelhardt vs. Mueller—146 NW 808—Plaintiff occupied a front apartment in which lease read that the tenant was to keep in repair that portion of premises occupied by him but the hallways, entrances and exits used in common by tenants were to be maintained and repaired by landlord. A radiator insecurely fastened to wall fell upon plaintiff's son and killed him. Landlord held liable to tenant boy for \$1,500 damages.

### 6. Liability of Employer to "Frequenters" of Place of Employment.

Neitzke vs. Kraft-Phenix Dairies—253 NW 579—This case is authority for the rule that an employee of an independent contractor, injured while at work has a remedy against owner of the premises under the safe place statute, which requires employer to maintain a safe place of employment not only for his own employees but "frequenters thereof."

Held: Position of open high tension electric coils 30 feet above ground, violation of safe place statute. Plaintiff injured while erecting smokestack. Recovered \$11,764.

Note—The injured in this case likewise recovered compensation benefits from his employer.

Sandeen vs. Willow River Power Co.—252 NW 707—Arthur Sandeen and Gustaf Sandeen, employees of August Johnson, were electrocuted while shoving a motor truck on which there was a mounted derrick which struck wires leading from power house to pole.

Held: Jury awarded \$18,000 damages to parents and \$3,200 to compensation carriers of Johnson, the employer.

Note—Supreme court cut \$18,000 to \$11,000.

### 7. Liability of Householders and Farmers Under Safe Place Rule.

Does the safe place statute originally dedicated to safety in industry, later enlarged upon to include public places and still later amended to include churches and schools apply to private homes?

Sec. 101.01 in defining a place of employment provides as follows:

"The phrase 'place of employment,' shall not include any place where persons are employed in private domestic

(CONTINUED ON LAST PAGE)

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## O'Malley Hearing April 19

ST. LOUIS—Circuit Judge E. J. Sartorius has set April 19 as the date he will hear arguments on a motion to abate the local bribe acceptance charges

against R. E. O'Malley, former state superintendent of insurance for Missouri. The motion filed by O'Malley's local counsel, Paul Dillon, sets forth that the bribe acceptance charge returned by the grand jury for the St. Louis circuit court

for criminal causes was reported in court on July 13, 1939, and subsequently on Oct. 30, 1939, a similar indictment was returned by the grand jury for the Jackson county circuit court at Kansas City, Mo.

Dillon contends that the statutes provide that if two indictments resulting from the same matter are pending against a person the indictment first returned shall be deemed suspended by the second and shall be quashed.

# FIRE INSURANCE NEWS BY STATES

## MIDDLE WESTERN STATES

### Program of Indiana School Announced

Following is the program for the second annual conference on fire and casualty insurance to be held at Bloomington, Ind., May 20 and 21, sponsored by the Indiana Association of Insurance Agents and the School of Business of Indiana University.

#### Monday Morning, May 20

William C. Meyers, Evansville, president of association, presiding.

Discussion chairman, Dr. Harry Sauvain, professor of finance and director investment research bureau, Indiana university.

Addresses of welcome, Herman B. Wells, president Indiana University, and F. J. Viehmann, Indiana commissioner. "Needed Coverages not Commonly Sold," F. W. Potter, field supervisor, Aetna Casualty.

Discussion. "Farm Insurance," L. G. Warder, associate manager, Hartford Fire, Chicago.

Discussion. Luncheon, 12:15.

R. Michael Fox, Indianapolis, presiding.

Introduction of insurance faculty of Indiana school of business.

#### Monday Afternoon

Ralph G. Hastings, Washington, Ind., presiding.

Discussion speaker, Dr. George Steiner, assistant professor of finance, Indiana University.

"The Science of Rates," Kent H. Parker, Western Actuarial Bureau, Chicago.

Discussion. "Hospitalization Insurance," J. M. Smith, superintendent of agents, disability division Continental Casualty, Chicago.

Discussion. "Business Interruption Insurance," C. A. Snow, secretary Phoenix of Hartford.

Discussion. Banquet, 6:15 p. m. Simpson M. Stoner, Greencastle, presiding.

Address, Dr. Paul H. Douglas, professor of economics University of Chicago. Introduced by Dr. A. M. Weimer, dean, school of business, Indiana University.

Discussion. "Marine Insurance," E. D. Lawson, western manager, Fireman's Fund, Chicago.

Discussion. "Liability Insurance," J. H. Bibby, assistant casualty director United States Fidelity & Guaranty, Baltimore.

"Present and Future Trends in Business and Insurance," E. M. Allen, executive vice-president National Surety.

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National councillor's report, Atwood L. Jenkins, Richmond.

Executive secretary's report, Harry E. McLain, Indianapolis.

New or unfinished business.

Adjournment.

Simpson M. Stoner, Greencastle, is chairman of the committee in charge of arrangements.

The first conference, held in the same place last year, was notably successful and well attended.

Advance interest already shown in the coming conference indicates that the attendance of last year will be exceeded.

Adjournment.

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Sessions will be in the Custer hotel, starting at 10 a. m. The program is:

#### Morning Session

"Farm Underwriting," W. A. McNeill, Peoria, special agent Home of New York.

"Accident Insurance," Harold Roos, production manager Massachusetts Bonding, Chicago.

"Consumer Cooperatives," Geoffrey Hubbard, state agent Boston and Old Colony.

Adjournment.

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the University of Michigan which co-sponsored the course. Solicitors showed an average grade of 82, compared with averages of 81 for both the agents' and employees' groups.

Battle Creek won premier honors with four of the nine prize-winning grades in the three classes, Lee A. Dudley, former president of the state association, having the highest grade scored, 99 percent. Other agent winners were: Edwin J. Quick, Muskegon, 93 plus, and Ida M. Leach, Battle Creek, 93 minus. In the solicitors' group, Paul B. DeFoe, Highland Park, led with 95 percent.

#### Clark Dodge County Speaker

BEAVER DAM, WIS. — The Dodge County Association of Insurance Agents held its monthly dinner meeting here with agents in attendance from Mayville, Brownsville, Juneau, Horicon, Woodland, Waupun and Beaver Dam. N. R. Clark, Milwaukee manager Travelers, analyzed the automobile policy with particular emphasis on new developments.

#### Nelson Heads Jewelers Mutual

Leonard Nelson of Madison, Wis., has been elected president of the National Jewelers Mutual of Neenah, Wis. He succeeds the late William Upmeyer of Milwaukee. John Stouthamer, Milwaukee, was chosen vice-president to succeed Mr. Nelson, and Erwin Fuchs, Milwaukee, fills the unexpired term of Mr. Upmeyer as director.

#### Rockford Field Day June 19

The annual field day of the Rockford Board of Fire, Casualty & Surety Underwriters will be held June 19, at the Rockford Country Club. All insurance men are invited to attend.

#### Honor Ohio 50 Year Veteran

John P. Aikin of Bellefontaine, O., who has been in the insurance business 50 years, will be honored at a meeting of the insurance men of Logan county at Bellefontaine Thursday. The Bellefontaine Association will act as host. Paul R. Gingham, counsel for the Ohio Association of Insurance Agents, will speak on the HOLC.

#### Earls Talks on HOLC

CINCINNATI—W. A. Earls, president of the Ohio Association of Insurance Agents, spoke informally on HOLC insurance and insurance on financed cars at a regular meeting of the Cincinnati Fire Underwriters Association. The association's educational meeting for solicitors will be held April 19. C. F. Thomas, secretary and manager Western Underwriters Association, Chicago, will speak May 9.

#### New Rule Changes in Nebraska

The new rule changes whereunder the gross earnings business interruption form may be used for non-manufacturing risks and the single state reporting form may be used on risks of but a single location have now been made effective in Nebraska.

#### D. W. Hamilton Iowa Manager

Judd W. Crocker Claim Department, Inc., independent adjusters, with its main office in Omaha, has appointed Dan W. Hamilton as Iowa manager. He is located at 205 Valley Bank building, Des Moines. Mr. Hamilton was formerly a claims adjuster for railroads and insurance companies and is an attorney.

#### Ask Public Building Reduction

MADISON, WIS.—A request for reduced fire insurance rates on public



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point of view



**M**OST problems arise because of different points of view. Dealing with the daily problems of active agency business since 1794 has given the "State of Penn." a good knowledge of the agent's point of view.

No wonder successful agencies throughout these United States have a friendly and familiar feeling as they deal with a company which understands their problems and gives consideration to their viewpoint.

#### Fire and Accessory Lines



THE INSURANCE COMPANY  
OF THE  
STATE OF PENNSYLVANIA  
Chartered in 1794  
PHILADELPHIA, PA.

buildings is being filed with the Wisconsin department by a special committee of the League of Wisconsin Municipalities. The committee points out that improvements in fire protection are reducing fire losses.

W. J. Tucker of Beloit is seeking to arrange a meeting in Milwaukee to be attended by representatives of the Wisconsin Association of Insurance Agents, Wisconsin Fire Underwriters Association and Western Underwriters Association to consider the situation.

#### Cloquet Situation Cleared Up

DULUTH, MINN.—The situation at Cloquet, Minn., where a large consumer cooperative was writing both stock and mutual insurance for its patrons has been cleared up, members of the Duluth Underwriters association have been advised. Both stock companies have pulled out of the cooperative agency, it is reported. The Cloquet mixed agency caused quite a stir when revealed at the recent mid-year meeting of Minnesota agents.

#### Mutual Tax Issue in Wisconsin

Commissioner Duel is asking for a premium tax on mutual premiums in Wisconsin. J. E. Kennedy, former chief deputy and now executive secretary of the Wisconsin Mutual Alliance, Madison, is opposing it. There is also a rumor that Mr. Duel wants agents of home state mutuals to be licensed and pay the regular fee, which they do not do now. Mr. Kennedy has countered with a proposal that instead of the premium tax, the mutuals pay a fee per policy issued.

#### NEWS BRIEFS

T. G. Linnell, Minneapolis general agent, was toastmaster at the annual award presentation dinner of the Minnesota Safety Council in Minneapolis.

Norman W. Adams, head of the Adams Insurance Agency Co., Warren, O., has been elected president of the Warren Rotary Club.

Agricultural 25-year service plaques were presented to Walter Duncan, La Salle, Ill., agent, and to A. Chad Roberts, Olney, Ill., agent, by J. D. La Teer, state agent Peoria.

Sponsored jointly by the Minneapolis Underwriters Association and the Insurance Exchange of St. Paul a fire prevention and control demonstration will be held May 1 at the Minnesota state fair grounds.

The 1752 Club of Des Moines is holding an afternoon and evening gathering Friday at the Hyperion Club. There will be golf in the afternoon, then dinner, entertainment and election of officers.

The Minneapolis Insurance Women's Association at its April meeting had as a speaker Oscar J. Eastman, secretary Northwestern F. & M. of Minneapolis.

The Cuyahoga County Board of Cleveland at its meeting Thursday evening of this week will listen to H. S. Bowen of the Bowen company insurance agency in Norwalk, O., who will talk on "Concurrent Insurance Advertising."

The northwest fire school will be held again this year, probably May 15-17, at the University of Minnesota. On the committee in charge this year are Sanford Herberg, Fire Underwriters Inspection Bureau, and State Fire Marshal Yetka.

Frank E. Colehour, Rockford, Ill., agent, was guest of honor at a dinner there on his 75th birthday, hosts being field men of companies represented in his agency. He was given special recognition as a 25-year agent by United States Fidelity & Guaranty.

W. O. Schilling, manager U. S. F. & G., Chicago, was toastmaster. A banjo clock, a gift of the field men, was presented to Mr. Colehour. There were 28 persons present.

## SOUTH

### Agents, Company Men Hold Parley on Miss.-La. in Jackson

JACKSON, MISS.—Directors of the Mississippi Association of Insurance Agents at a meeting here selected the Buena Vista Hotel as the headquarters for the annual meeting at Biloxi, May 24-25. The directors had a two-day meeting here. On the first day discussion was devoted to plans for the annual convention. That evening the directors were entertained at dinner by President and Mrs. John W. Robinson at their home in Woodland Hills, Jackson.

On the second day there was a joint meeting of the Mississippi directors and the Louisiana-Mississippi conference committee. There was a luncheon which was attended by 55 direct company representatives of Mississippi. This is the first time in many years that the conference committee has met in Mississippi. A joint meeting of the directorate and the conference committee was presided over by Mr. Robinson and Chairman Russell W. Michael of Atlanta, southern manager of Fireman's Fund.

In addition to Mr. Michael, other company executives participating in the conference included Ashby Hill, vice-president of Home; H. P. Whitman, vice-president Phoenix of Hartford; E. N. O'Beirne, southern manager Automobile; J. H. Ledbetter, assistant southern manager Hartford Fire; Dowdell Brown, southern manager Commercial Union; H. R. Tomlinson, secretary Aetna Fire; J. H. Hines, southern manager Crum & Forster.

Frank D. Montague of Hattiesburg is vice-president of the Mississippi associa-

tion, C. M. Seay of Jackson is secretary-manager, and Warner Wells of Greenwood is national councillor.

### Two Speakers Announced for Alabama Agents' Meeting

BIRMINGHAM, ALA.—Two speakers at the annual convention of the Alabama Association of Insurance Agents in Montgomery May 9-10 will be L. P. (Dean) McCord, Jacksonville, Fla., chairman of the educational committee of the National association and former president of the Florida association, and Harrison Hines of Hines Bros., Atlanta, southern managers of the Crum & Forster group.

In addition, an eastern casualty insurance executive and a member of the executive committee of the National association probably will speak. Superintendent Julian of Alabama will be a guest and probably speak during the two-day session.

In connection with Mr. McCord's address, sentiment is expected to develop for an agents' school to be held this summer at the University of Alabama, similar to those held in other states. Other topics to be discussed are contingency commissions, the situation in reference to HOLC business and non-recording agents.

### Divide New Orleans City Line: Premium Is Reduced

NEW ORLEANS—Previous methods of placing municipal insurance coverage, including bids, have been abandoned by the New Orleans council in its approval of recommendations of a special committee for distribution of the business to all companies represented by members of the New Orleans Insurance Exchange. Members of the advisory committee include Bryan Bell, Leon Irwin, Jr., Maurice Hartson, John X. Wegmann and J. W. Whitty. Under

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A. & J. H. STODDART

Ninety John Street

New York

the plan, municipal properties will be covered for \$10,000,000, with a \$55,000 premium for three years in companies represented by Messrs. Wegmann, Hartson and Irwin, the coverage to be re-insured with companies whose representatives are members of the exchange. The premium represents a \$10,000 saving to the city from the \$65,000 paid for the three years ending April 1, 1940. The three-year coverage for the period beginning six years ago cost \$110,000. The new rate will be established by the Louisiana Rating & Fire Prevention Bureau. City property to be covered increased \$800,000 over the initial amount three years ago. Binders have applied to protect the city's property since April 1.

Properties of the New Orleans Public Belt Railroad Commission, the Orleans Parish School Board, and the New Orleans Sewerage & Water Board are not included in the coverage.

W. Irving Moss, president of the Hartwig Moss agency, addressed two letters to Mayor Maestri condemning the program and advocating competitive bidding for the insurance. Thereupon a statement was made public by the committee of five insurance men answering Mr. Moss' criticism. That statement declared that the Hartwig Moss agency offered to write the business at a lesser rate but the offer was made only after publication of the proposed committee rate and after the award of the contract.

"We believe," the committee stated, "the award as made to be a sound policy and procedure despite the later offer of a lower premium. This committee pledged its services for the three year period to do everything in their power looking to a further reduction in fire hazard and consequent reduction in rate should its recommendations be adopted."

#### Association Bulletin Resumes

NASHVILLE, TENN.—With Vice-president Leslie M. Ross as editor, pub-

lication of the "Tennessee Booster," bulletin of the Tennessee Association of Insurance Agents, has been resumed. The first issue urges full attendance at the annual meeting. Attention of Tennessee agents is called to Accident & Health Week, April 22-27.

#### Organize Two S. C. Counties

Agents of Greenwood county, S. C., have organized the Greenwood County Fire & Casualty Board, with these officers: W. E. Peeler, president; C. L. Peterson, vice-president; L. K. Hartzog, secretary-treasurer. The executive committee is made up of the officers and C. A. Smith, Jr., and O. M. Dantzer.

The Horry County Association of Insurance Agents also was organized with these officers: L. D. Magrath, Conway, president; D. O. Heniford, Loris, vice-president; J. W. Little, Myrtle Beach, secretary-treasurer. The executive committee is composed of the officers and R. T. Lewis, Conway, and D. H. Bell, Myrtle Beach.

#### Nashville Women Resume School

NASHVILLE, TENN.—The training school begun last fall by the Nashville Association of Insurance Women and suspended at the first of the year is scheduled to be resumed April 19. K. D. Burgess, Jr., district supervisor United States Fidelity & Guaranty, will conduct classes on burglary insurance. Mark Bradford, Sr., treasurer and acting manager Tennessee Association of Insurance Agents, spoke last week on "Health and Accident Insurance." The team led by Mrs. Dorothy Stone was winner in a membership drive.

#### Heavy Hail Losses in Oklahoma

OKLAHOMA CITY—A heavy hail storm struck the greater part of Oklahoma last week, leaving a trail of loss. Clinton and vicinity apparently received the brunt of the storm. Claims are pour-

ing into the Oklahoma City office of the Fire Companies Adjustment Bureau so rapidly that it is impossible even to make an estimate of the loss, bureau officials stated.

At Clinton, estimated damage to roofs and windows was \$100,000.

#### Louisville Women Organize

LOUISVILLE — Nine women have organized the Louisville Women's Insurance Association to promote business and social relationship and to provide employment, information and education in the field of general insurance.

#### Houston Agent's 50th Anniversary

L. F. Schweikart of the Cooley, Schweikart & Seaman agency, Houston, Tex., which was established in 1878, has just observed his 50th anniversary in the insurance business. He received a clock from the North America, presented by L. F. Dakin, Texas state agent.

#### General Agency Appointments

The George W. Wilkinson general agency of Rocky Mount, N. C., has become general agent of the Paul Revere.

James O. Cobb & Co., general agents of Durham, N. C., have taken representation of the Birmingham Fire of Pittsburgh as of April 1.

#### Alabama Mutual Agents Elect

BIRMINGHAM, ALA.—The Alabama Association of Mutual Insurance Agents at its annual meeting here, elected Thomas Clark of Florence president to succeed Ray Schultz of Birmingham and voted to sponsor a joint Alabama-Georgia-Tennessee-Mississippi convention next year. A committee to promote the four-state meeting was appointed.

Other officers are H. H. Pritchett, Tuscaloosa, vice-president, and Earl Glenn, Decatur, secretary-treasurer.

Speakers included J. D. McNeese, Merrimack Mutual Fire; Harvey Terrell, assistant cashier First National Bank, on premium financing; Tom Holman, Grain Dealers National Mutual, and F. E. Hannawalt, National Mutual of Celina, O.

#### NEWS BRIEFS

E. D. Rutledge of the DuBose, Rutledge & Miller agency, Fort Worth, has been named president of the Kiwanis Club there.

A cotton warehouse at Frisco, Tex., where 1800 bales of government owned cotton were stored, burned with loss estimated at more than \$100,000.

A golden plaque has been awarded the C. A. Rauschenberg, Jr., agency, Atlanta, by the Phoenix of Hartford for 25 years representation. Mr. Rauschenberg is a past president of the Atlanta Association of Insurance Agents.

F. B. Edelbrock of the Fort Worth agency of DuBose, Rutledge & Miller was presented the distinguished service award of the United States Junior Chamber of Commerce at a dinner given by the Fort Worth Junior Chamber.

H. O. Davis, formerly associated with E. N. Power in the local agency of Davis-Power Insurers, Marshall, Tex., has gone to Houston as a special representative of the Great American Life. Mr. Power has purchased Mr. Davis' interest in the agency.

The Mutual Insurance Agents Association of Virginia and District of Columbia held a one-day meeting at Roanoke, Va.

J. V. Campbell and Oscar Bieser have merged their agencies in Oklahoma City, and will operate as the City Rental Company, of which Mr. Bieser is manager. Mr. Campbell will be manager of the insurance department.

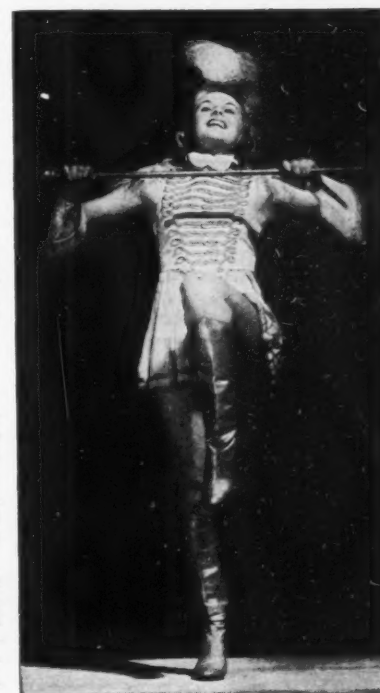
Badger Mutual Fire of Milwaukee has been admitted to Texas.

C. A. Dunning, former Dominion minister of finance, and C. F. Sise have been elected to the Canadian board of the Liverpool & London & Globe, and also to the boards of its Canadian affiliates.



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CONSTITUTION DEPARTMENT	SPRINGFIELD, MASS.
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MICHIGAN FIRE & MARINE INSURANCE COMPANY	DETROIT, MICH.
NEW ENGLAND FIRE INSURANCE COMPANY	PITTSFIELD, MASS.

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## PACIFIC COAST AND MOUNTAIN

### California License Renewal Due May 31

SAN FRANCISCO — Commissioner Caminetti of California has issued a bulletin to all agents, brokers and solicitors calling attention to the requirements for renewal of licenses by the end of May, in order that they may avoid penalties as a result of changes made in the law at the 1939 session of the California legislature. Failure to get the renewal application and higher fees in by May 31 calls for a mandatory penalty of triple the original fee.

If not filed with proper fee by May 31, the bulletin points out, a license may be renewed between June 1 and July 31 upon payment of the ordinary renewal fee plus an "additional fee equal to twice the renewal fee."

#### Must Qualify as New Applicant

If not filed with proper fee plus penalty, if any, before Aug. 1, the right of renewal is forfeited and the licensee must qualify as a new applicant. In such case the transaction of insurance without a license between June 30 and the date of issuance of license constitutes a misdemeanor and is grounds for denial or revocation of license.

"Although there is no legal duty to do so," says the bulletin, "the division will attempt to mail renewal applications to all existing licensees so that they may be received in ample time to allow filing of renewal application prior to June 1. Each renewal application contains a fee schedule from which an applicant may

determine the proper fee to be paid. The payment of the proper fee is essential to a valid filing of the application."

### Plan Denver License Fee for Agents

DENVER — Proposals for a municipal license for insurance agents and other important matters were discussed at a meeting of the board of the Denver Association of Insurance Agents.

The license bill, which would require a \$75 per year municipal license for all local agents in the city, will be brought up before the next general meeting for approval. The measure was drawn up with the thought that it would help solve the multiplicity of agents' problems, making it unprofitable for agents who write nothing but their own business to continue.

If the proposed bill is approved by the membership as a whole, it will be laid before the city council as a suggested revenue raising measure. It may have a good chance for passage as the council is eager to find new sources of revenue. However, there are several part time agents on the council who probably would oppose the measure.

The board instructed the legislative committee to work closely with Commissioner Kavanaugh on new legislation. The committee is considering a new qualification law which would require examination of all applicants for licenses. The grievance committee is working on several cases of known rebating with the view of developing a plan to clean up this evil.

The board discussed the practice of permitting unlicensed clerks to receive the commissions on their own business. It was agreed that stopping this particular practice would be difficult but it was held unlicensed employees must not solicit outside business.

A report by the recently formed public business committee led to a discussion of ways and means of developing new business for the legitimate agents. One plan suggested was that members cooperate toward diverting automobile business from finance companies back to banks. Under the proposed plan, a cooperative advertising campaign would be used and business would be solicited in advance from prospective automobile purchasers.

### Waiver Clause and Other Rule Changes in Oregon

PORTLAND, ORE. — The Oregon Insurance Rating Bureau has made a number of important changes in rules and schedules. The waiver of special inventory portion of the average clause is now optional, but it may not be used on policies covering blanket on more than the units of a single plant. This clause was formerly mandatory whenever the average clause was used. The mandatory form for insuring logging equipment and felled timber has been amended in several respects including a provision for insuring under one item not only donkey engines, but cables on or attached to drums (excepting gas or diesel powered donkeys). A separate item still exists in the form for covering gas and diesel donkeys with which cables can now be included. The item providing for coverage on felled timber is now extended to include timber in cold decks. The \$250 loss exemption clause formerly mandatory on the logging equipment and felled timber form has been deleted. Except for an increase from 1 percent to 1.25 percent in the base rate applying to logging tractors, trailers, power shovels and portable loaders, rates remain the same.

The rule requiring \$2.50 minimum premium for inclusion of smoke damage coverage has been deleted. A new rule

is incorporated providing for insuring boxes and other containers, together with other packing and wrapping materials by inclusion with machinery, fixtures and equipment insurance if specifically mentioned in the form. The rule also permits optional coverage of these properties by inclusion with a stock item if specifically mentioned in the form, or they may be separately insured at the rates and under rules applicable to machinery, fixtures and equipment coverage if other machinery, fixtures, equipment and stock are specifically excluded from the item.

#### New Bridge Rule

A change in the distribution clause applying to fire coverage on bridges provides that the policy shall attach on each rod of the bridge throughout the entire length thereof in the proportion that the value of each such rod bears to the total value of the bridge.

Rules on growing grain coverage are revised to include coverage on field seeds under the same provisions as apply to growing grain insurance but at an increased rate. The charge for extension of vacancy privilege under special schedule rated properties on unprotected dwellings and similar risks is amended to provide for 60 days vacancy at rate of 10 cents in place of the former 30 days coverage for the 10 cent rate.

#### Hal Harwood in Coast Job

Hal Harwood has been appointed underwriting manager of the Pacific department of the Federated Hardware Mutuals, consisting of Hardware Dealers Mutual Fire and Minnesota Implement Mutual Fire. Mr. Harwood has been manager of the New England rating department of that group. He graduated from Armour Institute of Technology and was connected with the Chicago Board for three years. He traveled for the Oil Association a year and then was a broker with the Griffin, Ingram & Pfaff agency of Chicago. He went with the Federal Hardware & Implement Mutuals in 1931 and was in charge of the rating department for Cook county, Ill. In 1937 he was transferred to Boston.

#### All-Risk Cover on Buildings

Central Manufacturers Mutual Fire of Van Wert, O., from its San Francisco office is now writing an all-risk policy on dwellings and apartment houses. If the idea proves popular in California and the experience is satisfactory, it will be extended to other states. The exclusions are deterioration, ordinary wear and tear, and war. There is a limitation of earthquake damage to 5 percent of the total amount of the policy and there is a \$25 deductible applicable to losses of all types.

#### Auto Dealer Issue in Cal.

LOS ANGELES — The examination of new applicants for agency licenses that commenced here last Saturday has brought into the open to a certain extent, the fight over licenses for automobile dealers. It is understood that the president of General Exchange Insurance Corporation, L. L. Short, had a conference with the insurance department on a recent visit here and got the idea that the automobile dealers would not be required to take the same examination that is put to a regular agent. However, when the examination started here all applicants were faced with a regular examination of a fairly searching nature.

#### Van Orden in New Connection

LOS ANGELES — Walter Van Orden, who since last November has been with Pierce & Siebert, Los Angeles insurance agency, has joined the Los Angeles office of Johnson & Higgins.

Mr. Van Orden, following his graduation from college in 1920, went with the Factory Insurance Association, coming to the Pacific Coast in 1932 to organize the Pacific Coast Association. In

1938 he became assistant Pacific Coast manager of the National Fire, from which position he went to Pierce & Siebert.

#### Retention Form Ruled Out

SEATTLE — Issuance of a retention form of fire insurance policy is illegal in the state of Washington, Attorney-general Hamilton holds. Commissioner Sullivan requested the opinion after one company had submitted an endorsement calling for payment of 80 percent of the premium, the remaining portion to become payable in event of loss.

#### Form New Seattle Agency

SEATTLE — Fowler Agency, Inc., has been formed to represent Millers National in Seattle. Alger Fowler is president and treasurer; F. P. Matthys and J. B. Fowler, vice-presidents, and H. T. Fowler, secretary.

#### Coast Hail Adjusters Meet

GREAT FALLS, MONT. — The Pacific Coast Hail Conference held an adjourned meeting with C. F. Laude, Rain & Hail Bureau, Spokane, secretary of the conference, as chairman, T. G. Dahl, Great American; G. C. Edwards, America Fore; Jacob Nelson, Home, and S. K. Bjornson, Rain & Hail Bureau, all from Chicago, attended.

#### North Conducts Classes

LOS ANGELES — H. P. North, assistant manager Business Development Office, San Francisco, will conduct a series of classes here the coming week for the Southern California Fire Underwriters Association, with two sessions daily. The classes also will be open to others than members of the association.

#### San Bernardino County Election

The San Bernardino County Association of Insurance Agents elected these officers at the annual meeting in Fontana, Cal.: President, Mrs. Bess M. Tyler, San Bernardino; vice-president, C. L. Gassoway, San Bernardino; secretary-treasurer, Miss Helen Malone, Redlands.

C. L. Larson, state agent Royal, spoke at the dinner on "The Responsibility of the Local Agent."

#### To Discuss All-Risk Lines

SAN FRANCISCO — The origin and growth of all-risk inland marine lines will be discussed at the April 24 meeting of the Fire Underwriters Forum of San Francisco by Harold F. Gardner, production manager Commercial Union group. E. W. Paterson, agency superintendent National Fire, will be chairman.

#### Oregon School Loss Adjusted

Fire loss of Feb. 6 which destroyed the high school building and contents at The Dalles, Ore., has been adjusted at \$139,137. The Fire Companies Adjustment Bureau handled the adjustment, basing its settlement on new replacement value of \$290,000. Insurance totalled about \$235,000, in policies ranging from \$1,000 to \$54,000. Heaviest losers were the North America, paying about \$32,400; Home of New York,

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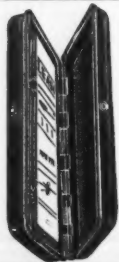
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\$14,160; Vulcan Underwriters of the North British, \$13,400; Royal, \$9,000, and Milwaukee Mechanics, \$6,200. The blaze originated in either the printing shop or the chemistry laboratory in the early morning hours.

## NEWS BRIEFS

**Thos. Larke, Jr.**, insurance broker and chairman of the disaster relief committee of the San Francisco chapter American Red Cross, told the safety committee of the San Francisco junior chamber of commerce of the disaster preparedness plan of San Francisco.

Operations of the industrial accident commission were explained to the **San Francisco Insurance Women's League** by Warren Hanna, referee for the commission. G. W. Kemper, Fireman's Fund Indemnity, recently addressed the educational section on the history of accident and health insurance. J. H. Casenave, Hartford Accident, will continue this subject April 25.

May 16 is to be "insurance day" at the **Kiwanis Club of San Francisco** with W. S. French of the brokerage firm of French & St. Clair as chairman. John J. Miller, head of the Individual Enterprise Alliance, formed to counteract the agitation for monopolistic workmen's compensation insurance, will speak.

Officers will be elected at the May meeting of the **Insurance Women's Association of Portland, Ore.**

**George W. Haerle**, president Oregon Insurance Agents Association, will represent that group at the National association mid-year meeting in Wichita.

The **Insurance Women of Denver** held the annual "Bosses' Night" party, among the guests being Commissioner Kavanaugh and Walter Kulp, manager Mountain States Inspection Bureau.

## EAST

### Bradford, Pa. Agents Form Board; Bauer President

A new local board has been organized in Bradford, McKean county, Pa., known as the Insurance Agents Association of Bradford. Its membership comprises almost all the active local agents and the several meetings held preparatory to completing the organization indicate there is a good prospect for an active group.

The officers are: President, Arthur Bauer; vice-president, Charles Wheeler; secretary, Paul M. Douglas; treasurer, Robert Bromley.

The association will meet on the first and third Tuesday of each month. Later developments will determine whether meetings will be conducted twice a month or on a different schedule.

Mr. Douglas has been active in preparing for the new organization and has contacted a number of the local boards in Pennsylvania, gathering material as a guide in setting up the Bradford association.

### N. Y. Anti-Fireworks Bill Signed

A bill, banning the sale, distribution and possession of fireworks in New York state has been signed by Governor Lehman. It becomes effective Aug. 1.

### Vermont Spring Meet May 16

**MONTPELIER, VT.**—The spring meeting of Vermont Association of Insurance Agents will be held May 16 in the auditorium of the National Life home office building. A banquet will be held in the evening.

### Maine Deputy Made Comptroller

**AUGUSTA, ME.**—H. E. Rodgers has resigned as first deputy insurance commissioner and has been appointed state comptroller. He has been in the

department two years and previously was for 12 years with Joseph Froggart & Co., the last six years as assistant New England manager at the Boston office.

### J. S. Baybutt Advanced

**BOSTON**—John S. Baybutt, with the Boston and Old Colony since 1920, has been promoted to manager of the Boston and metropolitan fire department. Since 1925 he has been manager of the brokerage department.

### Rhode Island Legislation

**PROVIDENCE, R. I.**—Bills in the Rhode Island legislature to require sprinkler systems in all non-fireproof buildings used for public gatherings and to create a state division of boiler inspection have died in committee. A bill to prohibit the sale or use of dangerous fireworks in Rhode Island was saved temporarily by being reported out and then recommitted.

## NEWS BRIEFS

**W. E. Lennon** of Olean, N. Y., for 15 years district manager of the Massachusetts Mutual Life, working out of Buffalo, has purchased an interest in the Sader Agency, operated by G. W. Sader. He will continue his life connection.

The Boston Board has accepted the signed company agreement of the **Northwestern Mutual Fire**, with agency representation through the Boylston Insurance Agency.

The **Insurance Club of Pittsburgh** will hold golf tournaments at the South Hills Country Club May 13 and the Highland Country Club June 17.

The **New Jersey Association of Mutual Insurance Agents** will hold a meeting at Atlantic City, May 17.

A. P. Kedetsky of Brookline, Mass., has joined the Lobel-Carmen Co. agency of Boston, which has changed its name to Lobel, Carmen & Kedetsky.

## CANADIAN

### L. E. Falls Warns of Pressure for Higher Commissions

L. E. Falls, vice-president of American, in addressing a meeting of the Insurance Institute of Montreal, said responsible leaders in both company and agency ranks are alarmed by the "constant pressure to increase the percentage of the premium to be paid for so-called agency commissions." Mr. Falls is president of the Insurance Institute of America.

"The insurance agency system," Mr. Falls declared, "does not have any long term lease which is unbreakable. It will endure only so long as through it insurance can be distributed to the public without an unreasonable burden of cost."

"High commissions do not result in increased incomes to agents. On the contrary, in those larger communities, where so-called excepted territory commissions are now paid, we find the business burdened with a horde of solicitors and subagents who perform little or no service beyond the actual sale of insurance and sometimes their sales activities are nothing more than placing the insurance of their friends and relatives, while the bona fide agents receive a smaller and smaller percentage of commission because the business to be placed is so diluted by parasites invited into the business solely by too high rates of commissions."

Another speaker was F. P. Brais, member of the Quebec Provincial cabinet. C. E. Sword, president of the Insurance Institute of Toronto, made a talk. J. T. Urquhart, president of the

Insurance Institute of Montreal, presided.

### Halifax Agency Honored

A framed service certificate has been forwarded to A. J. Bell & Co. of Halifax, N. S., commemorating their 50th anniversary as agents of the North America.

### Form Brockville, Ont., Board

Brockville, Ont., agents have formed the Brockville Fire & Casualty Insurance Agents Association. E. C. Cossitt has been chosen first president; R. E.

Dallyn, vice-president, and H. R. Starr, secretary-treasurer. It is expected that the association will join the Ontario Fire & Casualty Insurance Agents Association.

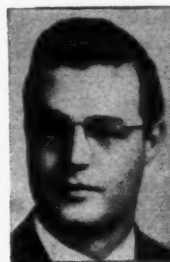
**Norman J. Black** of Winnipeg, manager of the western office of the Commercial Union, has been appointed a member of the commission to investigate charges against the Winnipeg police department.

**G. D. Finlayson**, Dominion of Canada superintendent of insurance, is being felicitated on having reached his 25th anniversary in that post.

## MARINE INSURANCE NEWS

### Opens New Office for Security in Chicago

Ralph Tanger is now installed in his new offices in A-1838 Insurance Exchange from which he will supervise the marine activities of Security of New Haven and East & West in the middlewestern states. Mr. Tanger resigned as inland marine superintendent in the middle-west for North British & Mercantile to take the new position. This is a new office for the Security group and it may prove to be the nucleus for a Chicago headquarters of larger dimensions, embracing other activities besides inland marine. Mr. Tanger is a young man who has had excellent experience for his new work.



Ralph Tanger

interests did not present anything of a definite nature.

Clarence Emery of Hartford is chairman of the insurance committee. Among the insurance men who attended the meeting were Allan I. Wolff and Elmo G. Johnson of the Associated Agencies of Chicago; John T. Brennan, western manager of W. H. McGee & Co., Inc., and A. C. Keith of the Detroit Insurance Agency.

### Miller Assigned to Chicago

L. P. Miller recently was appointed manager of the claim department in the Chicago service office of Markel Service, of which R. F. Hawthorne is manager. Mr. Miller was assigned from St. Louis where he was claims manager. He has been in the business 15 years and connected with Markel for nine years.

### Mexican Art in N. Y. Insured

**NEW YORK**—Insurance aggregating \$1,381,000 covers on between 5,000 and 6,000 objects of Mexican art, which reached New York several days ago for display in the Museum of Modern Art from May 15 through Labor Day. About 85 percent of the objects belong to the Mexican government and the remainder to private individuals.

### Armored Car People Seek Insurance Arrangement

A number of insurance people conferred last Sunday in Indianapolis with the insurance committee of the National Armored Car Association, Inc., which is seeking to work out some more advantageous insurance arrangements for its membership of 24 independent operators. The meeting was inconclusive and was of an exploratory nature. Apparently the committee has no definite scheme in mind and the insurance

### Important Bridge Line Up Soon

Bids will be opened some time in May for property damage and use and occupancy insurance on the bridge that is nearing completion across the Mississippi from Rock Island to Davenport. The expectation is that the bridge will be opened for traffic about the last of May. It is now insured under a builder's risk form. It is estimated that the



The  
**CHARTER OAK FIRE  
INSURANCE COMPANY**  
~ HARTFORD, CONNECTICUT. ~  
ONE OF THE TRAVELERS COMPANIES

total income of the bridge will be about \$250,000 annually and that by 1952 the revenue will reach \$350,000. The builders of the bridge are Ash, Howard, Needles & Tamman and the American Bridge Company. Indications are that there will be rather intense competition for the insurance.

### T. L. Osborn, Jr. Is Advanced

T. L. Osborn, Jr., head of the inland marine department of National Retailers Mutual of Chicago, has been elected assistant secretary of his company. He has been with the Kemper organization since 1933 and has been a leader in organizing and carrying out the work of the Mutual Marine Conference. He has made numerous talks at agency gatherings and has written extensively about inland marine subjects. He graduated from Cornell University and had some experience in England with the insurance brokerage house of Leslie & Godwin. His father is T. L. Osborn of Osborn & Lange, the prominent Chicago marine office.

### Brough Takes Coast Post

SAN FRANCISCO — Clarence A. Brough has become manager of the Pacific inland marine department of the Great American-Phoenix of Hartford group, succeeding Frank V. Wright, who died last November.

Mr. Brough received his training at the home office of the Phoenix and subsequently traveled in the New England field. In 1937 he was transferred to Pittsburgh, since which time he has had supervision over the inland marine operations of the Phoenix group in western Pennsylvania, western New York and West Virginia.

### Specific Cases Cited to Show Need for O. L. & T.

(CONTINUED FROM PAGE 37)

service or agricultural pursuits which does not involve the use of mechanical power.

Under this phraseology an action was brought by a domestic injured while using a washing machine.

Beck vs. Siemers—183 NW 157—Injured was a domestic servant working on a farm and engaged in doing the washing in a farm house. Power for the washing machine was derived from a small engine in the basement. Her clothes caught in the running motor, resulting in injury.

Held: Liability under the safe place statute. The court said: "It is conceded that the relation of the parties were such that it was the duty of the defendant (the farmer) to furnish the injured with a safe place to work—that the injured was not engaged in farm labor but was engaged in private domestic service which involved the use of mechanical power within the meaning of Sec. 101.01."

Note that parties here are not subject to compensation law, yet the rule as to a safe place to work incorporated in the compensation law was held to apply where mechanical power was a factor.

Dujenske vs. Wyse—215 NW 829—Injured, a neighboring farmer, was assisting defendant in operation of silo filler operated by means of a gasoline tractor engine. His hand was drawn into the cutting knives. Injured action based upon a violation of safe place statute.

Held: Silo filler—a labor saver—an economic factor—but preservation of life, limb and health—is greater and more essential. Silo filler was "mechanical power" within meaning of statute and injured secured verdict in the amount of \$2500.

In conclusion Mr. Sullivan summarized the function of the O. L. & T. policy as follows: 1. It furnishes an inspection service; 2. It provides an investigating agency; 3. Creates a defense fund; 4. It is written guarantee to pay any judgment rendered against the assured within the limits.

## Additional Illinois 1939 Fire Figures

Below are presented net premiums and paid losses of stock fire companies and mutuals in Illinois for last year. This is the remainder of a tabulation, part of which appeared in the issue last week. In this table, (F) stands for fire only and (T) for total, including fire and side-lines. The figures are from the annual statements to the Illinois department.

	Net Prems.	Losses Pd.
Alliance, London..F.	8,182	1,610
Atlas.....F.	108,768	40,950
T.....T.	158,248	61,936
Baltica.....F.	48,385	30,159
T.....T.	54,105	31,127
British Amer.....F.	16,485	12,220
T.....T.	19,548	12,934
Brit. & For. Mar..F.	5,164	2,300
British General..F.	7,280	1,358
T.....T.	7,751	1,373
Caledonian.....F.	76,061	26,638
T.....T.	127,232	47,494
Century.....F.	68,934	35,951
T.....T.	87,103	37,473
Christiania Gen..F.	81,192	52,320
T.....T.	129,573	75,055
Coml. Un., Eng...F.	205,691	94,213
T.....T.	466,606	129,497
Eagle Star.....F.	89,371	43,084
T.....T.	140,566	71,166
French Un. & Uni.F.	31,795	22,023
T.....T.	35,338	22,023
General, Paris...F.	13,296	52,428
T.....T.	128,389	75,277
General, Italy...F.	28,283	7,644
T.....T.	64,567	18,650
Halifax.....F.	5,946	1,997
T.....T.	8,893	2,956
Indemnity Marine.F.	9,605	3,683
T.....T.	4,517	5,340
Jupiter General..F.	5,022	4,190
T.....T.	90,090	50,691
Law, Un. & Rock.F.	113,142	57,567
T.....T.	328,772	153,586
L. & L. & G.....F.	443,262	184,007
T.....T.	172,873	66,572
London & Lanc..F.	224,384	79,517
T.....T.	18,914	10,462
London & Prov. M.F.	13,296	11,726
T.....T.	23,514	8,706
London & Scottish.F.	23,514	8,706
T.....T.	168,513	79,533
London Assur...F.	34,479	144,369
Marine.....F.	43,092	10,480
T.....T.	36,226	8,766
Meiji.....F.	76,673	21,972
T.....T.	32,290	7,853
Netherlands.....F.	52,084	13,784
T.....T.	8,108	2,227
New Zealand...F.	9,141	111,703
T.....T.	277,761	171,773
North British...F.	437,914	65,910
T.....T.	163,203	89,547
Norwich Union...F.	260,224	65,492
T.....T.	118,198	74,266
Pacific Coast F...F.	161,223	3,100
T.....T.	6,928	12,118
Palatine.....F.	8,541	14,076
T.....T.	18,690	100,189
Pearl.....F.	249,293	191,092
T.....T.	469,591	51,426
Phoenix, Eng...F.	126,952	62,730
T.....T.	168,934	88,219
Royal Exchange..F.	171,674	141,823
T.....T.	361,832	153,336
Royal.....F.	328,772	187,272
T.....T.	459,099	94,784
Scottish Union...F.	120,964	119,704
T.....T.	198,707	8,423
Sea.....F.	42,257	47,314
T.....T.	71,801	51,223
Skandia.....F.	83,595	40,198
T.....T.	42,053	40,521
Skandinavia.....F.	46,542	10,554
T.....T.	28,199	38,330
Standard Marine.F.	86,074	44,917
T.....T.	113,227	2,263
Star.....F.	2,498	84,125
T.....T.	163,067	132,509
Sun.....F.	313,809	18,645
T.....T.	37,051	22,232
Sun Underwriters.F.	278,802	178,470
T.....T.	318,182	193,979
Swiss Reinsur...F.	40,695	8,734
T.....T.	56,469	12,509
Thames & Mersey.F.	17,747	3,624
T.....T.	18,296	14,124
Tokio.....F.	44,922	26,901
T.....T.	26,837	11,833
Transcontinental.F.	59,200	23,665
T.....T.	359,058	202,399
Travelers Fire...F.	745,005	305,193
T.....T.	12,475	11,730
Twin City.....F.	15,678	12,662
T.....T.	50,949	32,638
Un. & Phenix Esp.F.	54,890	30,063
T.....T.	18,845	8,475
Union, Eng.....F.	32,438	10,580
T.....T.	29,570	12,355
Union, Paris.....F.	65,085	28,317
T.....T.	1,711	9,472
Union, Canton...F.	23,416	17,376
T.....T.	6,722	5,003
Union Mar. & Gen.F.	13,656	6,844
T.....T.	123,688	52,578
United Firemens..F.	150,233	57,426
T.....T.	197,343	197,343
United States F...F.	878,355	325,658
T.....T.	1,713	152,202
Universal.....F.	152,202	

	Net Prems.	Losses Pd.
Urbaine.....F.	31,799	22,023
T.....T.	35,339	22,703
Washington, N. Y..F.	2,515	369
T.....T.	7,782	999
Westchester.....F.	311,737	153,632
T.....T.	569,935	257,945
Western, Canada..F.	35,131	30,591
T.....T.	49,903	34,680
Western F., Kan...F.	15,174	18,870
T.....T.	74,473	41,859
World F. & M.....F.	73,250	35,290
T.....T.	115,215	45,687
Yorkshire.....F.	94,570	52,314
T.....T.	117,731	58,632

### MUTUAL COMPANIES

#### Domiciled in Illinois

Addison Farmers..F.	46,658	31,266
T.....T.	66,633	37,879
Downers Grove F..F.	15,865	9,949
T.....T.	10,269	10,269
Egyptian Mut. A..F.	3,855	2,002
T.....T.	11,031	6,665
Evangelical Mut...F.	967	16
T.....T.	1,291	16
Farm. Mut. Rein..F.	330,001	178,494
T.....T.	523,829	231,017
Illinois Mut. Fire..F.	36,832	10,980
T.....T.	59,204	13,111
Lutheran Mut.....F.	17,402	6,212
T.....T.	18,761	6,212
Millers Mu., Alton.F.	295,600	69,110
T.....T.	414,862	95,417
Mill Owners Mut...F.	104,464	17,796
T.....T.	5,720	33,689
Mt. Carroll Mut...F.	5,720	33,689
T.....T.	16,975	4,524
Nat. Mut. Church..F.	21,955	6,471
T.....T.	166,394	48,543
Nat. Retailers....F.	377,868	99,203
T.....T.	156,509	23,367
Protection Mut...F.	156,509	26,695
T.....T.	1,889	45
Traders Mut.....F.	1,889	62
T.....T.	2,585	62
Unit. Farm. M. Re.F.	49,830	77,898
T.....T.	49,830	77,898

#### Mutuals of Other States

Allied American...F.	4,167	3,823
T.....T.	24,581	8,256
Amer. Mut., R. I..F.	61,892	25,378
T.....T.	61,892	25,378
Arkwright Mut...F.	98,209	8,628
T.....T.	98,209	8,628
Atlantic Mu., N. Y.F.	9,990	1,344
T.....T.	129,836	51,109
Automobile Mut...F.	1,882	1,882
T.....T.	50,150	12,565
Badger Mut. Fire.F.	50,150	12,565
T.....T.	52,013	13,607
Berkshire Mut...F.	8,480	2,243
T.....T.	9,229	2,327
Blackstone Mut...F.	156,459	47,374
T.....T.	156,459	47,374
Boston Manufac..F.	181,607	25,299
T.....T.	181,607	25,299
Brotherhood Mut..F.	12,392	4,342
T.....T.	24,537	5,094
Central Mfrs. M..F.	89,216	38,548
T.....T.	148,899	50,491
Citizens Fund M..F.	3,982	11
T.....T.	3,991	11
Cot. & Wool. Mfrs.F.	49,855	3,957
T.....T.	49,855	3,957
Druggists Mut...F.	8,028	1,912
T.....T.	8,916	1,928
Employers Mut...F.	9,682	2,491
T.....T.	29,209	5,274
Enterprise Mut...F.	61,892	25,378
T.....T.	61,892	25,378
Fall River Manuf..F.	40,560	7,197
T.....T.	40,560	7,197
Fed. Mut., Boston.F.	3,583	1,250
T.....T.	5,234	1,789
Fidelity Mut., Ind.F.	9,446	6,422
T.....T.	11,223	7,945
Firemens M., R. I.F.	210,333	41,816
T.....T.	210,333	41,816

	Net Prems.	Losses Pd.
Florists Hall A...F.	10,670	170
T.....T.	4,280	2,217
Glen Cove Mut...F.	9,215	3,123
T.....T.	107,416	45,994
Grain Deal. Nat...F.	140,620	58,398
T.....T.	164,913	79,398
Hdwre. Deal., Wis.F.	221,141	88,588
T.....T.	7,135	75,328
Hdwre. Mu., Minn..F.	14,245	85,482
T.....T.	44,441	10,277
Hope Mutual.....F.	44,441	10,277
T.....T.	17,775	2,574
Impl. D. Mut., N. D.F.	20,998	2,699
T.....T.	95,608	40,501
Indiana Lumb. M..F.	120,874	47,379
T.....T.	24,927	1,971
Industrial Mut...F.	24,927	1,971
T.....T.	21,038	2,397
Iowa Hdwre. Mut..F.	24,574	2,719
T.....T.	56,295	24,902
Lumb. Mut., O...F.	66,554	26,238
T.....T.	54,680	20,085
Lumber Mu., Mass.F.	70,719	26,632
T.....T.	103,154	42,298
Manufac. Mut. R. I.F.	103,154	42,298
T.....T.	8,188	3,085
Market Men's Mu..F.	8,188	3,085
T.....T.	61,892	25,378
Mechanics M., R. I.F.	61,892	25,378
T.....T.	60,313	38,684
Michigan Millers..F.	68,792	13,679
T.....T.	23,101	13,679
Millers Mut., Tex..F.	25,824	13,885
T.....T.	24,917	9,755
Millers Mut., Pa..F.	27,672	10,014
T.....T.	50,458	21,732
Mill Owners M., Ia.F.	60,835	22,506
T.....T.	176,586	81,767
Minn. Impl. Mut...F.	237,158	91,754
T.....T.	5,707	287
Nat. Jewelers Mu..F.	6,162	2,331
T.....T.	4,851	2,331
Nat. Mut., O.....F.	5,000	2,339
T.....T.	106,036	18,855
Northwestern Mut.F.	147,521	30,977
T.....T.	14,771	943
Ohio Hardware...F.	18,664	983
T.....T.	390	2
Ohio Mutual.....F.	446	2
T.....T.	5,927	1,056
Ohio Und. Mut...F.	6,662	1,088
T.....T.	8,607	8,843
Pawtucket Mut...F.	9,820	9,025
T.....T.	60,886	31,041
Pa. Lumb. Mut...F.	81,065	32,875
T.....T.	30,935	18,708
Pa. Millers Mut...F.	34,525	18,992
T.....T.	55,932	5,564
Phila. Man. Mut...F.	55,932	5,564
T.....T.	1,136	935
Republic Mut....F.	1,232	935
T.....T.	103,154	42,298
Rhode Island Mut.F.	103,154	42,298
T.....T.	49,855	3,957
Rubber Manufac..F.	49,855	3,957
T.....T.	5,058	2,724
Security Mut....F.	6,671	2,917
T.....T.	123,785	50,757
State Mutual.....F.	123,785	50,757
T.....T.	38,721	20,769
Union Mut., R. I..F.	41,367	20,895
T.....T.	126,226	33,390
United Mut., Mass.F.	247,940	55,283
T.....T.	36,534	21,877
Western Millers M.F.	42,554	22,535
T.....T.	44,441	10,277
What Cheer Mut...F.	44,441	10,277
T.....T.	40,560	71,682
Worcester Man. M.F.	40,560	71,682
T.....T.	14,430	1,457
Workmens Mut. F..F.	14,430	1,457
T.....T.		

R. E. Thompson, president New York Suburban Agents' Association, will address the Richmond County Association of Insurance Agents at St. George, S. I., Friday.



## In downtown LOS ANGELES HOTEL CLARK

15 Minutes from HOLLYWOOD

WITH the movie capital of the world and radio city within the borders of Los Angeles, entertainment reaches its zenith. Gay nights, laughter and life; sunny days filled with thrills and excitement. In the center of everything is situated the HOTEL CLARK at Fifth and Hill Streets. A hotel where you will enjoy hospitality to its fullest extent; where you will find your every wish anticipated. Whether you stay in Los Angeles for

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FIRE MARINE CASUALTY SURETY

*Loyalty Group*

INSURANCE

# FINANCIAL STATEMENTS DECEMBER 31, 1939

AS FILED WITH THE NEW YORK STATE INSURANCE DEPARTMENT

Companies	Capital	Total Admitted Assets	Liabilities (except Capital)	Surplus to Policyholders
Firemen's Insurance Company of Newark, N. J. Organized 1855	\$9,397,690.	\$33,926,081.	\$16,499,007.	\$17,427,074.
The Girard Fire & Marine Insurance Company Organized 1853	1,000,000.	4,982,637.	2,414,522.	2,568,115.
National-Ben Franklin Fire Insurance Company Organized 1866	1,000,000.	4,260,884.	1,891,143.	2,369,741.
The Concordia Fire Insurance Co. of Milwaukee Organized 1870	1,000,000.	4,615,377.	1,881,987.	2,733,390.
Milwaukee Mechanics' Insurance Company Organized 1852	2,000,000.	11,581,487.	5,119,865.	6,461,622.
Royal Plate Glass and General Ins. Co. of Canada Organized 1906	100,000.	294,959.	50.	294,909.
The Metropolitan Casualty Insurance Co. of N. Y. Organized 1874	1,500,000.	10,911,967.	8,148,771.	2,763,196.
Commercial Casualty Insurance Company Organized 1909	1,000,000.	10,230,146.	7,653,475.	2,576,671.

Pittsburgh Underwriters - Keystone Underwriters

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San Francisco, Calif.

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WESTERN DEPARTMENT  
Chicago, Illinois

SOUTHWESTERN DEPARTMENT  
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**MONDAY, APRIL 22, 1940**

# Opening Doors and Opening Minds



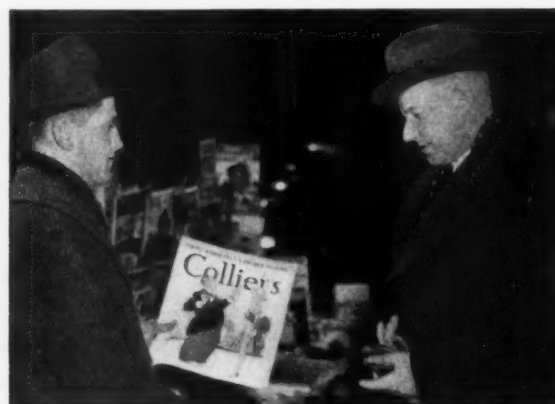
1 Seated at home to leisurely go through the *National Geographic Magazine*, John Prospect's attention is attracted by a striking, full color picture facing the leading article and he reads that he "can achieve the same security by consulting a trained, experienced Travelers representative."



2 Next day while buying a ticket at the railroad station he is again reminded of both the need for insurance and the name of The Travelers by that familiar little sign that he has seen so many times and so many places over so many years—a sign that has led many to sample insurance.



3 Uninterested in the box cars on the sidings or the back streets of the cities through which he rides, he reads *The Saturday Evening Post*. A pleasing illustration catches his eye and lures him into reading that "an automobile liability policy in The Travelers includes the services of thousands of agents and hundreds of claim experts strategically located throughout the United States and Canada."



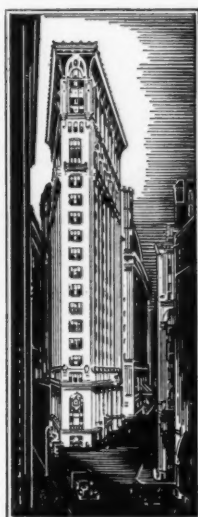
4 Before going back to the hotel that evening he picks up a copy of *Collier's* to read in bed. As he opens to the leading story an eye-filling illustration arouses his curiosity, and he reads: "Be a wise traveler and go to a Travelers agent and get his counsel on how this Axe of Insurance will fell for you this Tree of Worry, so that you may continue cheerfully down the Road to Happiness and the Castle called Peace of Mind."



5 When he returns home a few days later and goes through the mail that has accumulated in his absence, a colorful circular piques his curiosity. He opens it, and again he reads about The Travelers and Travelers service and he is introduced to the name of one of these Travelers agents.



6 And so, when the personable salesman presents himself and says, "Williams, agent of The Travelers Insurance Company," John Prospect has already been pleasantly persuaded to listen. His door and his mind have been opened. He is ready to hear what a Travelers agent has to say.



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WEEKLY  
NEWSPAPER  
OF  
INSURANCE

# The NATIONAL UNDERWRITER

April 22, 1940

AUTOMOBILE INSURANCE NUMBER

Number 16A

## Young Agent Has Opportunity to Build Shock Proof Business

By RALPH E. RICHMAN

This is the day of the young man in the insurance business.

He is not handicapped by fears of what may happen but very often does not happen.

He has the necessary energy.

He enters a field that is not crowded with young salesmen.

### Sound Merchandising Methods

He comes into the business when it is adopting sound merchandising methods more rapidly than ever before.

He will be furnished with special sales tools designed to appeal to the young prospects, most of whom have never heard an earnest, complete casualty insurance sales presentation.

He is not menaced by hyper-nutrition from one or a few big risks, a disease which has destroyed the business building vitality of many old agencies.

He needs only to master the sales technique of his business and apply it with industry to advance his income more rapidly than in any other field widely open to young men.

The discussion is on these points with particular reference to the sale of automobile insurance and the \$1,000 limit liability policy.

### Several Fears at First

When the \$1,000 automobile liability policy was introduced five fears were expressed. These fears dominated the response of many or at least were the defensive answers for inaction. There was the fear that higher limit business would be switched to the lower cost contract. No switching by buyer or agent has taken place. In some instances companies have accepted risks for the lower limit instead of turning down entirely an applicant for protection. Even in these cases the net result is more protection sold.

The companies were going to have selection against them. Thus far there is no evidence that the new group is either better or worse from an underwriting test. The fact belies the fear.

The agent was going to spend too much time in the beginning to sell the man in the \$20 to \$40 a week market particularly because the business was going to lapse. Experience where spread runs into thousands of contracts confirms experience of individual agents. The renewal rates at the worst is 80

percent and at the best 95 percent, and universally from 15 percent to 25 percent renew for higher limits. One company recently prepared a printed endorsement to take care of the numerous requests to change to higher limits before the first year term is completed. Individual agents show 75 percent to 95 percent of the policies sold to uninsured motorists. One company record is 84 percent sold to those carrying no protection. That explains one reason for the renewal rates. The agent is establishing a new clientele of his own, bound to him by a first sale, and not subject to severe competitive attack. The record does not support the fears of an excessive lapse ratio.

### Fearful Faulty Handling of Claims

The company claim departments were going to make the companies subject to suits for "faulty handling of claims." No evidence is in sight to warrant that fear and where the policy has been most widely sold, that fear has been forgotten.

The agent was going to get a small premium and a lot of trouble when losses occurred because buyers would be dissatisfied with the agent who sold a low limit policy. The average premium is now \$27, probably because the policy usually sells more readily in high cost territory and not a single agent has complained that he has had any unfavorable reaction at claim time from a policy owner. The latter is pleased that he has some protection, usually enough, and remembers that it took an earnest solicitation to sell him that, and, of course, the buyer nearly always belongs to the natural \$1,000 limit market.

Whether these fears were reasons or excuses for failure to tackle the uninsured market, they were equally unjustified.

### Have Established Clientele

Many successful agents can justify themselves for failure to go after the uninsured market. They have an established clientele to whom they can sell at less effort larger premium policies than the mass market purchaser can buy. But if they are seeking to build and project an agency beyond their own earning years it is essential to set up a clientele among the coming generation. That calls for an expenditure of energy

with a low proportionate return in the beginning and usually only the young have that excess energy to spend. That is one reason the insurance business is a young man's business. There is no substitute for that initial, enthusiastic sales energy to be expended in return for the new life sustaining buyer of the future. In nearly every city is an agent or agency now at the top or near the top which will lose its position within five or ten years for failure to recognize this principle. That is the young man's opportunity.

Energy is a first requirement, too, because in the automobile field the agent must sell 25 percent more policies than three years ago to total the same premium volume. This is partly offset by improved protection, lower costs and better sales methods, but here again, the buyer must be seen and the sales presentation must be made. The young man has what it takes.

### Room for Young Salesman

The insurance business may be crowded with agents but not with young salesmen. While the depression held sway few young men went into any commission paying jobs. Consequently there was a period of seven or eight years when young men stayed away almost entirely from insurance except as a last resort. That there is room for the young men who deliberately select insurance selling as their career and prepare themselves for it can be proved today by their success records in hundreds of cities and towns. There will always be room for master salesmen but there is enticing space for them today in the business of insurance selling. And nowhere do these young salesmen demonstrate this more forcefully than in their sales of automobile liability insurance. With this as a foundation they build \$3,000 incomes in three years and \$5,000 incomes in five years. Here is a report on how one of these resourceful salesmen got under way as told to his office.

### Actual Example Is Given

"It seemed to Mr. X that as a group, school teachers came more nearly qualifying as 'Class A-1' than any other concentrated profession. He decided, therefore, to make an experimental drive for automobile business among this

group and see what results could be obtained.

"He learned that once a month, the teachers met in a group on Saturday morning at one of the high schools. Accordingly, he found out the date of the next meeting and while the session was in progress, he obtained the license numbers of all the cars parked within the vicinity. By checking these license numbers through the proper city authorities, he obtained the names and addresses of some 250 school teachers in addition to knowing the type of car which they owned.

### Letter Was Prepared

"The next step was to draft a letter, outlining the coverage of the \$1,000 policy and quoting the cost. The prospect was urged to get in touch with Mr. Z and a self-addressed business reply envelope was enclosed with each letter.

"Of the approximately 225 teachers who were sent letters, 25 replied almost immediately. Mr. X called on these first and as a result sold 12 automobile liability policies. It is interesting to note that although his letter had featured the \$1,000 policy nine of the 12 sold purchased standard limit policies. 'It seemed to work,' said Mr. X, 'in the same manner that soda jerker's question of 'one egg or two eggs' worked in Word Magic. And mind you, these policies were obtained only from those teachers who replied. Mr. X still has lots of people to see and during April and May, he is seeing them!"

### Approaching Mass Market

The \$1,000 policy, the new risk classification, the safe driver reward plan are part of the evidence that the young man now enters the business when it is becoming quickly responsive to merchandising ideas. The story of Mr. X above shows how the \$1,000 policy becomes useful in selling higher limit contracts. When the policy was first introduced, it was a universal opinion that it would serve best in the tool kit as a final offering when higher limits could not be sold. Experience in the field flatly contradicts that opinion. It serves best in approaching the mass market buyer as a first offering, something new and special, but alongside higher limit offerings, giving the buyer

(CONTINUED ON LAST PAGE)

## FIVE YEAR AUTOMOBILE INSURANCE EXPERIENCE EXHIBIT

	1939				1938				1937				1936				1935			
	Net Prem. \$	% of Total	Inc. or Dec. in Prem. \$	% Gain or Loss	Paid Losses \$	Loss Ratio %	Net Prem. \$	% of Total	Loss Ratio %	Net Prem. \$	% of Total	Loss Ratio %	Net Prem. \$	% of Total	Loss Ratio %	Net Prem. \$	% of Total	Loss Ratio %	Net Prem. \$	% of Total
STOCK CASUALTY	247,161,607	38.4	-7,319,865	-2.9	104,228,612	42.1	254,402,692	42.7	42.6	263,130,950	41.6	42.1	239,983,746	43.4	45.2	224,257,126	49.1			
FULL COVERAGE	41,713,393	6.5	+3,831,736	+10.0	16,374,760	39.2	37,881,657	6.4	40.9	36,481,706	5.8	42.1	31,714,966	5.3	40.8	26,399,115	5.7			
STOCK FIRE	191,697,422	29.8	+40,835,387	+27.0	81,552,907	42.5	150,862,035	25.2	57.7	187,115,867	29.6	48.8	155,135,588	28.1	36.8	101,925,723	22.2			
MUTUALS	127,886,082	19.8	+7,280,579	+6.0	49,970,418	39.1	120,605,503	20.2	40.1	112,732,273	17.7	40.9	100,460,484	18.2	40.	84,650,034	18.5			
RECIP. LLOYDS	35,854,496	5.5	+3,434,493	+10.0	14,974,366	41.8	32,420,003	5.5	46	33,578,720	5.3	45.4	27,609,644	5.0	42.	20,353,859	4.5			
TOTAL	644,313,000	...	+48,141,110	+8.0	267,101,063	41.5	596,171,890	...	46.1	633,039,516	...	44.6	554,904,423	...	41.6	457,585,857	...			

# Transition Period in Auto Coverage

By ROBERT B. MITCHELL

Trend Is Towards "You're Covered" Contract

It will be some time before liability policies can be boiled down to the melodrama bad man's crisp, lucid and unconditional statement, "You're covered!" but there are indications that the trend, though gradual, is in that direction even though it never attains such stark simplicity.

One angle that will bear watching is the popularity on the Pacific Coast of all risk public liability, including automobile, written under a single insuring clause. Another straw in the wind is the new basic auto liability form of the National Bureau of Casualty & Surety Underwriters and the American Mutual Alliance. This will undoubtedly spur the demand for a similar simplification and broadening of the commercial car policy to bring in coverages now attainable only by endorsements. Today, in order to have complete coverage under a commercial automobile policy it is necessary to add endorsements for fleet plans, hired car coverage, non-ownership, independent contractors, and drive-other-car coverage.

## Buyer Likes One Contract

Inclusion of automobile coverage under an all risk public liability policy is particularly appealing to the insurance buyer and is of special interest to the insurance manager of a corporation, who has always in mind the possibility of an unforeseen combination of circumstances showing up a flaw in what he had thought was an impregnable wall of insurance protection. So far this all-inclusive public liability coverage can be written by bureau companies only on the Pacific Coast, where non-bureau carriers were offering all risk coverage including automobile and making inroads severe enough to be felt.

The objections to lumping all coverages together under a single contract is that it plays havoc with carefully worked out rating plans. In states where rates are controlled by the state, this type of policy would not be permitted.

## Survey and Audit Procedure

An essential feature of an all-risk public liability policy, whether written to include or exclude automobile, is that a survey is made first to determine what the premium should be and at the end of the policy year an audit is made to adjust the premium so that it conforms

with the actual exposure. In this way the insured knows that if in accordance with his business there is an exposure not contemplated when the policy was written, he will be covered automatically. For example, such a policy, of the type including automobile liability, might be written with certain limitations on the type of use or on the area in which the trucks were to be used. If the insured, however, decided to use his machine for additional purposes connected with his business or to extend the geographical scope of their operations, he would be protected under the policy and the appropriate extra premium assessed at the time of audit.

It should be noted that the audit of an all risk policy is a vital feature. One danger that is now seen by students of the coverage is that companies in their enthusiasm may write all risk policies on concerns which are too small to justify the expense of an audit and that hence this essential feature will be skipped.

## Objections Based on Habit

Most advocates of including automobile coverage in an all risk public liability policy are inclined to consider the arguments against it as being more fancied than real, the outgrowth of habit. They concede that a complication might be a difference in limits between one type of coverage and another. For example, an assured might not want the same high limits on other coverages as on automobile. Usually the automobile coverage would carry higher limits than general public liability, however, and it is contended that the cost of bringing the rest of the liability coverage in line with the automobile limit would be trifling.

## Borderline Losses

This difference in limits, if it were allowed to prevail, might bring up questions as to which type of coverage certain borderline losses occurred under, a situation which would tend to vitiate the reassuring over-all security offered by the all risk contract.

A similar complication could occur if the insured corporation had a less broad type of coverage for public liability than for the automobile portion of its all risk contract. For example, a department store delivers a bulky couch to a cus-

tomor. In the course of taking it into the house the delivery men cause damage, perhaps destroying an expensive vase.

The ordinary public liability policy does not include property damage but it is almost always purchased as part of automobile coverage. Under the latter policy the department store's liability in the case cited would be covered if the accident were held to be in connection with the loading or unloading. In such a case there would be the argument as to whether the accident were really connected with unloading or whether the process of unloading ceased as soon as the couch had been taken off the truck and put on the sidewalk.

## Regulated State Situation

One consideration that is likely to facilitate the spread of the inclusion of automobile coverage in all risk liability policies is that most of the big insurance buyers, who are the most anxious to obtain all their coverage on an all risk basis, do business in a number of states, at least one of which is almost certain to be non-regulated. This means that rate adjustments made as the result of the year-end audit would reflect the carrier's over-all experience on the risk, including the experience in the regulated states.

## Has Appealing Features

The extra scope of an all risk liability contract including automobile has some appealing features from the buyer's point of view. Suppose for example that an insured owns an automobile but has junked it and it is still on his premises. He still owns the car but it is not licensed. A child clammers around on the wreck and is injured. If the accident occurs in one of those states holding the owner liable for "attractive nuisances" there might be a sizable claim, and one which would not be covered under ordinary fleet cover, which includes only registered cars.

The ultimate goal toward which developments seem to tend is a single clause covering "all liability arising out of your business is insured." The broadening of the scope of coverage available under both a passenger car and commercial car liability policy makes the transition to the full all risk cover less of a problem. If the stand-

ard policy were reworded so that it covered legal liability rising out of the maintenance and use of "any" automobile rather than "the" automobile and if other policy provisions were altered accordingly, the transition would be complete, as far as the automobile hazard is concerned.

## Business Men Are Realizing Need for Non-Ownership

There is a growing recognition among business men of the need for non-ownership automobile liability coverage.

In a bulletin the National Electrical Manufacturers Association sums up the situation:

"Automobile nonownership liabilities exist in most manufacturing concerns in connection particularly with:

"1. Employees' automobiles used on company business: (a) regularly (salesmen-owned automobiles, etc.); (b) occasionally (to do errands, etc.).

"2. Agent or representative (direct or indirect) who, in representing the concern in a service, sales or other capacity, uses an automobile.

"3. Hired automobiles (passenger or trucks), by the employer, or by an employee for use on company business.

"4. Borrowed automobiles, by the employer, or by an employee and used on company business.

"5. Employee uses employer's non-owned car to carry other employees (e. g., to take a sick man home; to take others to a meeting; to another place of work).

"6. Trucking service (local and long distance)."

Before the American Bankers Association in Seattle, Wash., K. C. Bell, vice-president of Chase National Bank, in discussing non-ownership liability coverage, said:

"A great many banks direct or permit members of their staffs to use their personal automobiles on bank business, occasionally if not regularly. Any bank which does so should certainly carry adequate limits of contingent liability insurance. It can also take advantage of both loss prevention and loss indemnity for the bank by having as a first line of defense the policies which such persons themselves carry maintained in such form as to protect the bank."

Mr. Bell stressed: First, non-ownership liability should be secured in adequate limits; second, see to it that all automobile policies issued in the name of individual employees are so written as to afford protection to the employer.

## Judgments Can Be Kept Alive Forever

Judgments may be kept alive forever by very simple procedures, which every lawyer knows, unless released by being paid or through bankruptcy. However, all judgments are not subject to bankruptcy, especially if there is a malice count. When a person goes into bankruptcy and fails to disclose all assets, he can be punished by criminal offense in the federal court, so that bankruptcy does not offer an easy out.

State laws prescribe various time limits during which judgments remain alive; but judgments can be renewed any time within the limit. The limits are not the time the judgment remains alive but for the time within which the judgment may be renewed. In Illinois, for example, it is generally thought that a judgment can remain alive for 20 years. However, this limitation is that the judgment can be renewed any time

(CONTINUED ON LAST PAGE)



This car left the highway near South Hempstead, L. I., N. Y., hit a pole and burst into flames, trapping the driver. Luckily, members of the South Hempstead volunteer fire department were holding their annual dance in the fire house. A passing motorist notified them of the crash and they arrived at the scene in a few minutes, saving the life of the driver. —Acme Newspictures.

# Standard Policy Is Kept Up to Date

## Progressive Attitude Is Shown By Committee

By JAMES C. O'CONNOR

Although the most important development in the automobile insurance field during the past year—the adoption of new rating plans for both private passenger cars and trucks—did not affect the standard automobile liability policy, the fact that the contract was revised twice within less than 12 months is of itself important news and the changes actually made have been of paramount interest to the insurance fraternity. Observers attach much significance to the fact that the permanent committee set up by the National Bureau of Casualty & Surety Underwriters and the American Mutual Alliance has been able to function effectively and consequently that revisions do not lag unduly behind developments.

The latest revisions, which will become effective May 1, were neither as numerous nor as sweeping as those made in May, 1939, and they did not affect the garage liability policy at all, which was thoroughly overhauled in the first revision last year. To insurance men generally, however, the recent changes were important, because of the incorporation of drive other cars coverage in the basic policy, the change in the exclusion relating to the age of the driver and removal of several other exclusions.

### Drive Other Cars

Last year member companies of the National Bureau struck a competitive blow by announcing that drive other private passenger automobiles coverage would be included in private passenger car policies issued to individuals without additional charge. A few non-bureau carriers had been doing this or were considering such a step.

The drive other cars coverage was not included in the 1939 revision of the auto liability policy, presumably because the committee had virtually completed its work when the coverage was adopted. It was also generally felt that the endorsement originally used would require amendment. Several changes have been made in this coverage, as incorporated in the policy. As a general rule, the companies had not been very successful in the past in selling drive other cars coverage and so far no figures are available to indicate how this extension affected or may be expected to affect experience.

### Employer Now Protected

The drive other cars provision in the new standard policy applies, if the named assured is an individual and the owner of an automobile used for pleasure and business purposes. It covers the named assured and spouse against liability from the operation of any other private passenger automobile. It has been broadened to include the employer of the assured. It is generally felt that this change is equitable, since there seems to be no reason why the employer should be covered under the additional interests clause if the assured is using the described automobile on business, but not covered if the employee borrows a car in an emergency.

The drive other private passenger automobiles section still excludes use of an automobile owned by or registered by the named assured or any member of his household, other than a domestic servant, hired as part of a frequent use of hired automobiles by the assured or furnished the assured, a member of his household or his chauffeur or servant for his regular use. As regards the employer of the assured, the new clause does not cover him against operations of an automobile owned by him or registered in his name or hired as part of a frequent use of hired automobiles.

Questions have been raised as to what constitutes "frequent use" and observers

have pointed out that "regular" use of hired automobiles is apparently covered, as long as it is not "frequent." No cases involving an interpretation of this section have come to the writer's attention, and probably much will have to rest upon the interpretation of each company.

The new drive other cars section omits the old provision that coverage under it is excess over any other insurance available to the named assured. In the past, it has been expected that if the assured borrows an automobile which is covered by liability insurance with the additional interests clause, the insurance of the owner of the car would be the primary coverage, the drive other cars insurance being only excess. Now, apparently, the drive other cars coverage will pro rate with insurance carried by the owner of the automobile.

### Garage Employees Excluded

New exclusions have been added to the drive other cars section. It incorporates three exclusions already in the additional interests clause or "definition of insurance." It does not cover liability for injury to or death of any named assured, operation of a trailer not insured in the same company nor does it cover an operator, agent or employee of an automobile repair shop, public garage, sales agency, service station or parking place against an accident in the course of his business. It is felt that liability of a garage employee driving an automobile of another is properly covered by the garage liability policy. Likewise, this new exclusion will circumvent any attempt of a garage owner to avoid carrying garage liability insurance by carrying the standard automobile liability policy on his own automobile, with separate public liability insurance on his premises, and relying upon the drive other cars coverage for protection while he is operating other automobiles in the course of his business. Such plans, although they do not provide complete protection, have been suggested in some cases as a competitive measure. In passing, it might be noted that it is still possible to recommend this scheme with the broad form of drive other cars endorsement, which contains no such

exclusion and which would also cover operation of trucks, although this plan would leave many loopholes.

The exclusion of demonstrating and testing was dropped and so was the exclusion added last year which applied to commercial vehicles only. This last exclusion provided that if a truck was used outside the assured's business and carried more than eight persons, there should be no liability to the passengers. This was intended to eliminate liability to a large number of riders should a truck be used, for example, to transport a group of employees on an outing. It was unpopular in the field and it is not believed to have been invoked in any actual cases. The demonstrating and testing exclusion also was very rarely raised, since the garage liability policy is now generally carried by assured in this business.

### New Age Limit Provision

The exclusion regarding age of drivers has been changed in favor of the assured. It provides that the policy shall not cover while the automobile is operated by any person under the minimum age required to obtain a license to operate a private passenger automobile in the state, federal district, territory or province in which the automobile is registered or in which the accident occurs, whichever is lower. The minimum age limit of 14 years still applies.

The old exclusion referred to any state, federal or provincial law applicable to the driver or to his occupation. This meant the assured was compelled to watch the age limits of every state in which his car might be operated and to observe them, under penalty of having no protection. As the new exclusion stands, the assured gets the benefit of the lowest applicable law.

### Trailer Exclusion Liberalized

The trailer exclusion has been changed somewhat. It still provides that there is no insurance if the automobile is used for towing any trailer not covered by similar insurance in the same company. However, the provision that there shall be no protection if a trailer covered by the policy is used with an automobile not insured in the same

company has been restricted to apply only to automobiles owned or hired by the named assured. Thus, the assured may lend his trailer to another, or couple it to an automobile owned by another without violating his protection on that trailer.

The exclusion of liability for any accident occurring after the transfer of the assured in the automobile without the consent of the company has been eliminated. This exclusion was seldom raised in losses.

The cancellation provision has been reworded. It still provides that either the named assured or the company may mail written notice of cancellation and that the mailing shall be sufficient proof of notice. The provision has been reworded, however, and broken in two paragraphs, and it is believed that it expresses the intent of the company more clearly than any previous provision.

It was not surprising to any one that medical payments has not yet been included in the policy as an optional coverage. This was considered last year by the committee, but there are still too many variations required by state laws and interpretations of commissioners to make this possible on a uniform basis. It is considered likely that if the medical payments endorsement remains popular and if a uniform form can receive general approval, it will eventually be incorporated in the contract.

### Increase Sales by Adding Personal Effects Fire Cover

Some agents have been able to increase their automobile account to some extent by urging their customers to buy \$100 of fire insurance on personal effects in the automobile. Some companies have a space in the policy for entering this coverage while with other companies an endorsement must be used. The agent can handle this transaction in an offhand way, pointing out that the fire and theft rate is now very low and that for 25 or 30 cents the assured can have this added protection. One or two of the non-affiliated companies give such coverage without charge and make quite a point of it in their advertising.



This car was parked before the apartment hotel which burned in Minneapolis early this year causing a large loss of life. This unusual picture was taken by Arthur P. Smith, Minneapolis local agent.

# Develop "Your Problem" Angle in Selling

## THREE SALES TALKS STRESS DIFFICULTIES AUTO OWNER FACES

Despite the fact that the Institute of Public Opinion found that 89 percent of the public and 81 percent of the car owners believe that all car owners should carry automobile liability insurance, only 25 percent actually do.

One of the contributing reasons for this situation is that some people tend to think that automobile liability insurance is primarily for the protection of people injured and only incidentally protection for the car owner. From a claimant's viewpoint this may be true but in selling it is imperative to stress the car owner's own problem and the dire consequences he faces without insurance.

The following suggested sales talks develop the "your problem" angle which is all-important in selling.

### TRAVEL APPROACH

Here is a sales approach to use on a person who goes on vacation and business trips in his car:

"You make an occasional trip to other states in your car now and then, don't you, Mr. Edwards? Did you ever realize if you were involved in an automobile accident in one of the 46 states (not in Utah or Missouri) having what lawyers call "the long arm of the law" provisions that you can be compelled to return to that state again to defend a suit in case you are involved in an accident? Furthermore, if a judgment is secured against you it can be enforced on your property here in your home state. You might lose everything that you have just as if you had had an accident in town here and suit was brought against you.

Now I would like to explain to you,

Mr. Edwards, just what this involves because it is very vital to you.

#### May Not Be Your Fault

"Let's suppose you have an accident in one of the states which has a long arm law. The accident may not be your fault and it may even be so trivial that no particular trouble is involved and you go on with your trip.

"Now when you entered that state, Mr. Edwards, whether you knew it or not, you made the secretary of state or some other public official your agent to accept services of process. This means that the person who is claiming damages for alleged injuries will only have to serve a court summons on this designated official and that official forwards it to you at your home. You have to defend that suit even if you live hundreds or even several thousand miles away.

"Furthermore, Mr. Edwards, you can't just ignore that suit because if the case comes up in court and the claimant gets a judgment by default, because you are not represented in court, that judgment is legally enforceable in our state.

#### Can't Ignore Summons

"In other words, Mr. Edwards, if you receive a summons and you tear it up and say: "What the devil, why should I bother about this?" the claimant can go ahead and sue in his local court and secure a judgment for damages. In undefended suits the judgment is usually substantial. The claimant always asks for a lot more than he expects to get and when the suit is undefended he usually gets it all.

"If the claimant gets a judgment against you in that way, he can collect on it in our state without bringing suit again. All he has to do is take the judg-

ment to our local court and get a writ of execution against your goods and chattels.

"I think you'll agree with me Mr. Edwards, that it is to your benefit to defend such suits. But then again you run into difficulties. Let's assume you are driving out west and had an accident in Denver. Who in Denver would you hire as a lawyer? I don't know any lawyers in Denver and you probably don't either, do you? The only thing you can do is to go to your local lawyer and have him recommend some lawyer in Denver. He will turn to some law list and do the best he can to recommend somebody who he feels is competent and even then you don't know the man and consequently you are selecting him rather blindly.

#### May Not Be Qualified

"Furthermore, Mr. Edwards, the lawyer you select may or may not have a good knowledge of defending a suit for personal injury. The lawyers who represent the plaintiffs in such cases are expert along their lines and it takes an expert to defend such a suit successfully. In the law there are many technicalities in the procedure which may affect the final verdict. You and I may not realize the importance of these comparatively little things but the law does. It is imperative for you to have a lawyer who knows the ins and outs. The lawyer you select has to prepare the case, secure witnesses and fool around with a lot of details which if not properly handled may make a great deal of difference in the successful outcome of your case.

"And there is another thing, Mr. Edwards, when you hire an out of town lawyer you will undoubtedly have to pay him more money than you would if you hired the same talent in our city. It is

only human nature that he would expect a larger fee.

"Now, Mr. Edwards, let us assume that we have gone through all the difficulties of getting this lawyer and you have paid your expenses to attend the trial and the case is before a local jury. There is always the tendency for a local jury to give the benefit of the doubt to the local man and to soak the out of state motorist who has injured a native son. This is especially true if the case comes up in some small town where everybody knows each other.

"Now, Mr. Edwards you can save yourself all possibilities of such trouble by having an automobile liability policy. If you are insured and you have an accident in this or in another state, my company takes care of all the expenses of defense of the suit as well as paying the judgment if the case goes against you. Furthermore, my company has handled suits in all sections of the country and is familiar with the legal talent available, so it is in a much better position than you or I to handle such a case."

### Financial Responsibility Law Sales Approach

"I imagine you find your automobile a great convenience, don't you Mr. Bland? You would miss it if you had to give it up, wouldn't you? Have you taken precautions so as to be sure you'll always be able to drive it?

"Here is something you should think about, Mr. Bland. Our state has a law which requires that if you are involved in an automobile accident and have a judgment rendered against you, you have to pay it or lose your right to drive your car.

#### Won't Be Modest on Claim

"Let's suppose, Mr. Bland, that you hit a man with your car and break his leg and he also suffers some internal injuries. He'll expect you to reimburse him for his doctor and hospital bills and pay him something for the time he lost from work and for his pain and suffering. Most people are claim minded so 10 to one he won't be modest about his claims. Let's say he asks you for \$8,000. That's a lot of money and you tell him it is too much so he may go down to \$7,000. You still think that is too much but he sticks to \$7,000 and starts a suit against you. You have to hire a lawyer, which is costly, to defend the suit. The lawyer will insist on a cash retainer and you'll have to pay out considerable money to pay the cost of preparing the suit and employing experts to testify for you.

#### Have to Pay Up

"After the injured man's lawyer has played upon the jury's sympathies with a dramatic presentation, the jury renders a verdict for \$5,000 against you. It may be more than that, Mr. Bland, but let's say \$5,000. The judgment is then rendered and you have to pay the \$5,000. If you have the money or property there is no way for you to get out of paying the judgment. The injured man's lawyer has a number of ways of collecting from you and the judgment can be kept alive or revived as long as you live.

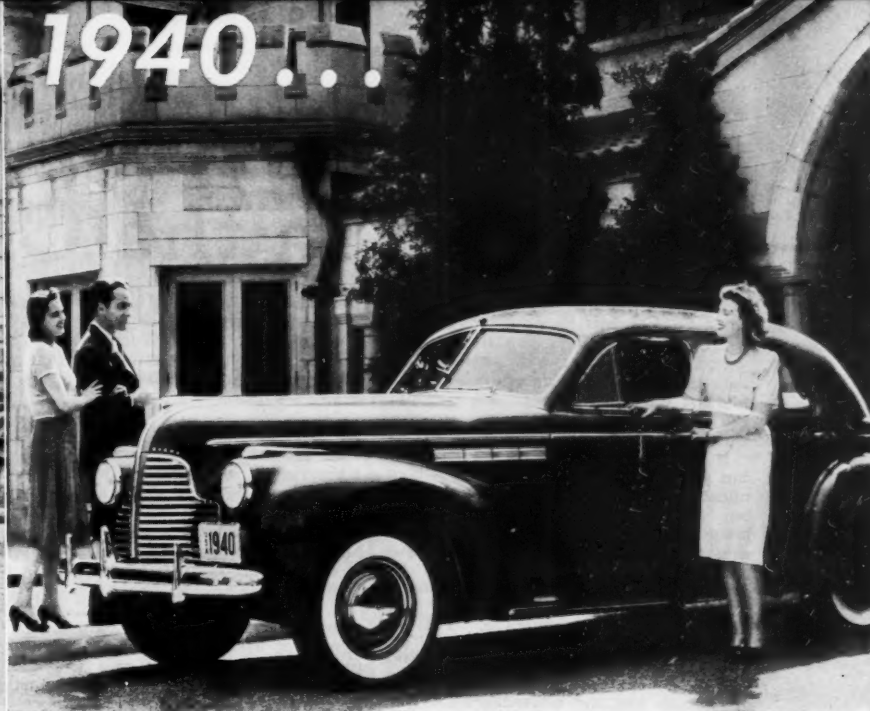
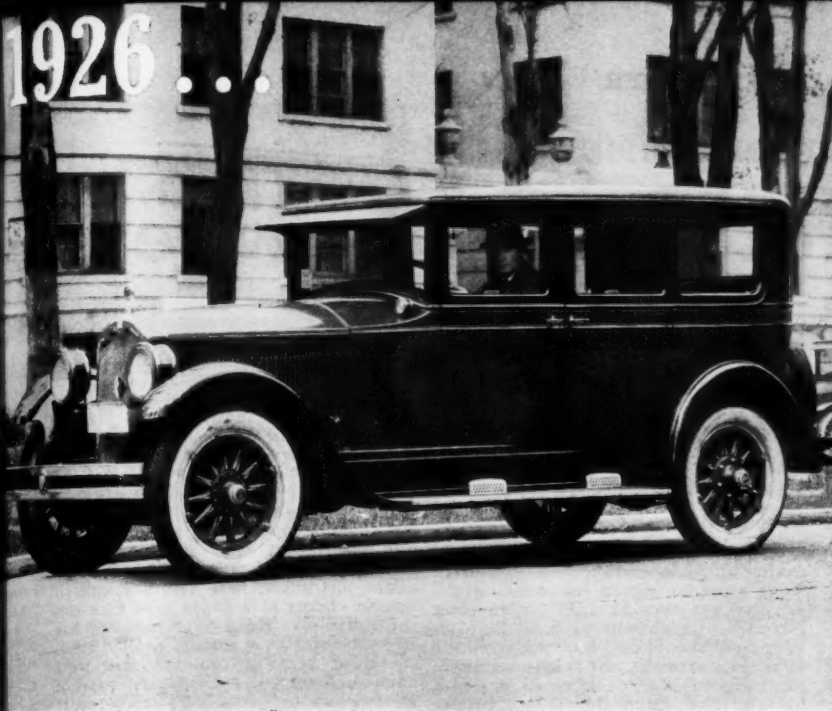
"Now if you aren't able to pay the \$5,000, here's what happens: If you don't pay the judgment within 30 days, your driver's license is suspended. Your registration certificate on your car is suspended and your license plates are taken from you. This applies to all your cars if you own more than one.

"Later on you may be able to raise the \$5,000 and you pay the judgment. However, Mr. Bland, you can't drive

(CONTINUED ON PAGE 26)



It took nearly an hour to free this girl who was pinned under a car in a serious accident in Dallas. She later died in the hospital. The driver was critically injured.—Acme Newspictures.



Photographs courtesy of Buick Motor Division of General Motors Corporation

# PROGRESS—in the American Way

★ Would you liked to have shared (as hundreds of forward-looking agents have) in the progress made by American Motorists since its organization in 1926?

Since 1929, through the middle of the depression, AMICO assets have increased 239%; AMICO premium income has increased 157%; AMICO net surplus has increased 244%.

Doesn't that record suggest to you that AMICO can help you make more money in the automobile and general casualty insurance side of your business?

AMICO's history is one of progress in the American way—providing an increasingly better product at the lowest net cost consistent with safety. And this progress has paid big dividends—not only to AMICO's participating policyholders who have saved substantially on their insurance costs each year, but to AMICO's agents—in increased volume.

Why not inquire about the American Motorists franchise in your community? Your request for further information will not obligate you in the least—just drop a post card in the mail—today.

## Financial Statement as of December 31, 1939

**Amico's**

### INCREASES IN 1939:

#### Assets increased

**\$841,215.33 to  
\$9,250,307.85**

★

#### Premium Income increased

**\$268,819.55 to  
\$6,477,479.11**

★

#### Net Surplus increased

**\$166,153.43 to  
\$1,316,105.57**

### Assets

Cash in banks . . . . .	\$5,290,180.49
U. S. Government bonds . . . . .	998,516.60
State, county and municipal bonds . . . . .	537,578.25
Public utility and other bonds . . . . .	457,124.17
Stocks . . . . .	763,690.51
First mortgage loans on real estate . . . . .	195,981.32
Real estate . . . . .	170,080.00
Premiums in transmission . . . . .	820,983.03
Accrued interest and other assets . . . . .	16,173.48
<b>Total cash assets . . . . .</b>	<b>\$9,250,307.85</b>

### Liabilities

Reserve for losses not yet due . . . . .	\$3,808,631.77
Reserve for unearned premiums . . . . .	2,040,169.33
Reserve for taxes, expenses and dividends . . . . .	1,064,195.42
Reserve (special) . . . . .	71,205.76
<b>Reserve for contingencies . . . . .</b>	<b>200,000.00</b>
<b>Total liabilities except capital . . . . .</b>	<b>\$7,184,202.28</b>
<b>Capital stock . . . . .</b>	<b>\$ 750,000.00</b>
<b>Net cash surplus . . . . .</b>	<b>1,316,105.57</b>
<b>Surplus as regards policyholders . . . . .</b>	<b>2,066,105.57</b>
<b>Total . . . . .</b>	<b>\$9,250,307.85</b>

All bonds amortized. All stocks at cost. Voluntary contingency and special reserves are sufficient to adjust all stocks to 1932 lows. Actual market values of both bonds and stocks exceed the values used in this statement, the total excess amounting to \$47,778.53. Securities carried at \$461,433.38 in the above statement are deposited as required by law.

★ **American**

**MOTORISTS INSURANCE COMPANY**

James S. Kemper, President • SHERIDAN AT LAWRENCE • CHICAGO, U. S. A.

## SELL UNINSURED AUTO OWNERS BY DRIVING HOME FEAR OF

# Getting in the Clutches of Lawyers

Just as the old colored mammy used to warn her mischievous charges that the "goblins will get you if you don't watch out," the live wire agent who is soliciting uninsured automobile drivers finds it effective to warn them against the lawyers who will "get you in their clutches" if they don't insure.

Because of the many legal formalities, the Latin terms and the numerous complications involved, the average person has a strong desire to keep clear of lawyers and courts. In some instances this fear of trouble and the unknown may be a stronger impetus than the threat of financial loss in getting a man to buy automobile liability and property damage coverage. This is especially true among the average uninsured. The man of property who is an obvious target for claimants is quicker to see the advantages of protecting his interests with insurance than the man whose assets consist mainly of his car, on which he is still making monthly payments, some odds and ends of furniture and perhaps a heavily mortgaged home. On the whole, the uninsured man is not worrying much about the property he may own at the present time so that it is necessary to stress the threats of garnisheed wages, judgments that last a life time, the possibilities of being "slapped" in jail and the multitude of legal complications that grow out of an automobile accident.

### Can Avoid Legal Complications

Among these many troubles which an uninsured automobile owner can avoid by buying liability insurance, is the trouble and cost of long drawn out law suits. Few automobile accidents are so clear cut that the liability involved and the extent of injuries and damage can be determined without considerable consideration. The claim process is somewhat like going to a store and buying some goods where there are no fixed prices. The claimant asks for so much, usually more than he expects to get, and the claim man makes his offer. If they fail to agree, the claimant files suit and then when the suit comes up for trial more attempts are made to settle the case. If these are unsuccessful, the suit is tried. All this follows the accepted procedure and is not an attempt by the insurance company to avoid paying a just claim but merely a method for arriving at an equitable basis which is fair to all parties concerned.

### Accustomed to Handling Claims

Insurance company claim men are accustomed to handling claims on this basis but the uninsured automobile owner who has to face such a situation is really up against it. Unless he employs a competent lawyer he faces serious difficulties but a lawyer costs money. Even with a lawyer the uninsured motorist fighting a claim has to be on hand for conferences, etc.

In defending a damage suit there is a great deal of annoyance involved. Even if the possibility of financial loss is not a factor, although it always is, the pending damage suit involves serious trouble and red tape.

### Legal Steps Followed

Although the procedure varies in different states and counties, the legal steps follow this general procedure.

1. After suit is filed against you a summons is served on you, directing you to appear in court on a fixed day and answer to the plaintiff's suit.
2. You then must employ an attorney to file an answer on your behalf. This is called an answer or demurrer.
3. Due to the congested condition of the court docket, it may be anywhere from six to 18 months before your case will be set for trial.
4. Meanwhile your lawyer must be

preparing evidence to use in defending the suit, which involves heavy cost.

5. If the case is successfully contested, you must pay attorneys' fees and expenses, which average \$500 a case.

6. If the case is lost, you have a judgment to pay and in addition court costs and attorneys' fees.

7. If the case is appealed, briefs, transcription of the record and appeal bonds must be filed which adds to your expense.

8. If the plaintiff secures a judgment and you fail to pay it, he will file a writ of execution against your goods and chattels.

9. He may have you brought into court and examined under oath to ascertain your assets from which the judgment can be paid. If you evade the summons, you can be punished as being in contempt of court, or you may be charged with perjury.

10. If you have a position which is paying you a regular salary, the plaintiff may garnishee it. This not only means a direct loss to you but your employer may be provoked by the disturbance and you may lose your job as a consequence.

11. If you have property, an execution can be effected and your property sold to satisfy the judgment.

12. In all states the judgment remains alive for a period of years or can be revived by various means so that in case you should make any money at all the rest of your life the plaintiff can attach it.

Whether or not you win or lose a liability damage suit against you, you face the following cost:

1. Attorneys' fees range from \$50 to \$75 a day.

2. The testimony of accredited mechanics in the case of property damage—\$15.

3. Expert medical testimony to determine the extent of the claimant's injuries—\$15 to \$100 a day.

4. Medical specialists for testimony, including x-rays.

5. Diagram or drawing of the location of the accident, the possibility of having an engineer testify—\$25 to \$35.

### Getting Witnesses Costly

6. Witnesses must be secured and examined in preparation of the trial. They must be served subpoenas which usually cost over \$1 apiece. Traveling expenses of each witness must be paid. Witnesses should also be reimbursed for salaries or earnings lost if it is necessary for them to leave their work in order to testify, although this is not legally required but if the witness faces financial loss, his testimony may be prejudiced and detrimental to your defense.

7. Court reporter, to take down and transcribe the proceedings—cost, \$3 an hour, plus 50 cents per page.

8. If the case is appealed, as it usually is, a transcription of the brief must be filed. In addition to the attorney's time in preparing it the cost for copying it is high—\$100 to \$250.

9. Appeal bond if the case is appealed to a higher court. Cost, 2 percent of judgment.

The trial of a case usually takes from two to five days, as a great deal of time is consumed in selecting the jury and presenting the testimony. The longer the trial, the higher the attorney's fee.

Settling claims is a business proposition, in one claim man's opinion. The question of right or wrong is not given

as much weight as what the final cost will be. In other words, if it costs several hundreds dollars to defend the suit, and there is the possibility of an adverse verdict on top of that, the company is apt to settle for \$250 if it can.

However, the individual who is not insured and is fighting the case will naturally wish to stand up for his rights and if he feels he is not liable for the injuries which are claimed, he is apt to defend the case under all circumstances. By standing up for his rights, his pride and self-respect may cost him money. As the insurance company doesn't worry about this angle, it is naturally able to handle claims at a lower cost than can the individual. However, a company has to watch so that it doesn't get the reputation of being a company that pays something on every claim. At times it is necessary to defend the suit, especially if it is one of several brought by some lawyer specializing in automobile liability damage suits, to show that the company doesn't pay every claim.

### Know Lawyer's Reputation

One value of the claim service which the insurance companies offer is that the claim men know the various lawyers and their reputation and ability. If a certain lawyer has a reputation for pushing fake claims or exaggerating minor claims, the insurance company men are quick to classify him as such and know how to deal with him. If a lawyer has special ability in trial work, the company is more apt to consider this in settlement. In other words, if an average lawyer is going to try the suit, the company is more apt to hold the settlement down, while if a lawyer of unusual ability is going to try it, this obviously has to be taken into consideration. These are points with which the experienced company claim men are fully familiar while the uninsured automobile driver is handicapped by his inexperience in dealing with lawyers and courts.

This point of knowing the lay of the land is a more acute problem when the automobile owner is involved in an accident away from home. At home he may be able to get a fair amount of assistance in defending the suit, but if he has to hire a strange lawyer to handle the situation from a distance, there are a great many difficulties involved. In the first place he may get a lawyer who is an expert in some other phase of law but who knows very little about defending a damage suit against an expert plaintiff's lawyer. The insurance companies have well organized claim departments and have regular lawyers in each locality who know the local situation and are able to handle the cases intelligently.

When the court permits it, the plaintiff's attorney often tries to delay the trial of a case as long as possible in order to force the insurance company into a liberal settlement. This is especially true when the liability of the defendant is doubtful.

One company which makes it a practice to settle about nine out of 10 suits when they come up for trial, tries to get the judge to insist on either an immediate trial or settlement.

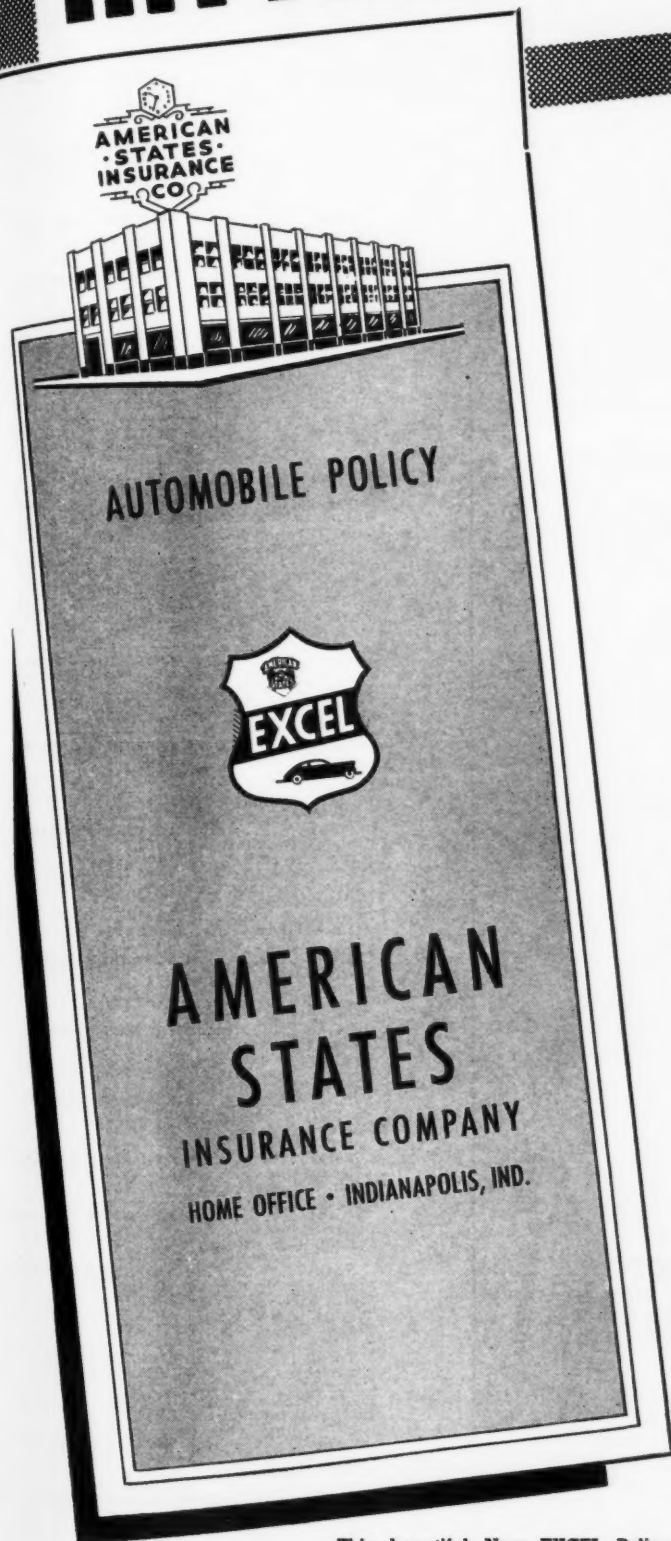
A delay in trial is usually an advantage to the plaintiff because the facts are obscured and the witnesses are hard to get when the suit is several years old.

When a case is appealed to a higher court and then remanded to the lower court for retrial because the judge erred in instructing the jury or some such legal technicalities, it means that the whole suit has to be tried over. This adds to the cost as all the witnesses have to be recalled and the whole trial goes on as if it were an entirely new case. In case an uninsured person has to go through such a retrial it means double expense.



This car smashed into a basement of a house in Margate, N. J., knocking the cement foundation blocks helter skelter.—Acme Newspictures.

# HITTING ON ALL 27



WITH ITS 27 EXTRA COVERAGES USUALLY EXCLUDED — OR NOT INCLUDED — IN THE STANDARD AUTOMOBILE POLICY . . . .

## AMERICAN STATES NEW EXCEL POLICY IS MAKING HISTORY IN INSURANCE CIRCLES

It sells on sight! Those 27 extra coverages give American States Agents a powerfully effective and acceptable sales story . . . certified by new volume increase records in every American States territory.

EXCEL has everything . . . it's more *complete* in its coverages . . . more *convenient* in its ALL-IN-ONE form . . . more *attractive* in its appearance . . . more *saleable* in its every feature.

The trend is EXCEL! There's no ceiling to its possibilities . . . nor to the ultimate earnings it will make for agents!

This beautiful New EXCEL Policy combines EYE-appeal with BUY-appeal. Our New STANDARD Policy, too, has been streamlined in its appearance and in its coverages.

Agents in Illinois, Michigan, Ohio and Indiana—write, wire or phone TODAY for full information about boosting your business with the American States New EXCEL and New STANDARD Policies.

# AMERICAN STATES INSURANCE CO.

AMERICAN STATES BUILDING • INDIANAPOLIS

DUDLEY R. GALLAGHER, President

EDWARD F. GALLAGHER, Sec'y-Treas.

# Fleets Writing \$500,000 or Better Are Graded

## STOCK GROUPS

	1939	1938
Home .....	\$21,696,083	\$16,234,775
Franklin .....	3,089,713	2,243,666
City, N. Y. ....	1,235,885	897,466
Carolina, N. C. ....	308,971	224,366
Paul Revere .....	617,943	448,733
Homestead, Md. ....	617,943	448,733
New Brunswick .....	617,943	448,733
Ga. Home .....	617,943	448,733
Natl. Liberty .....	1,127,746	818,938
Baltimore Amer. ....	417,111	302,894
Gibraltar F. & M. ....	617,943	448,733
Home Indem. ....	2,520,493	2,306,850
<b>Total</b> .....	<b>\$33,485,716</b>	<b>\$25,272,620</b>
General Exch. ....	\$26,540,914	\$20,362,440
Motors Ins. Corp. ....	430,711	.....
<b>Total</b> .....	<b>\$26,971,625</b>	<b>\$20,362,440</b>
Travelers Fire .....	\$ 3,405,989	\$ 2,923,945
Travelers .....	14,093,958	15,995,996
Travelers Indem. ....	6,424,670	6,167,933
<b>Total</b> .....	<b>\$23,924,617</b>	<b>\$25,087,974</b>
Hartford .....	\$ 6,816,938	\$ 5,515,556
N. W. F. & M. ....	92,953	75,899
Queen City .....	13,731	12,103
Twin City .....	12,587	9,760

	1939	1938
N. Y. Und. ....	70,551	60,809
Citizens, N. J. ....	30,298	24,514
Hartford A. & Ind. ....	12,885,517	13,451,528
<b>Total</b> .....	<b>\$10,922,575</b>	<b>\$19,150,169</b>
Royal .....	\$ 919,257	\$ 899,660
Queen .....	786,804	713,426
Newark .....	295,767	300,717
Capital, Calif. ....	33,427	29,579
Amer. & Foreign .....	66,643	85,920
British & Foreign .....	3,259	11,850
Royal Indem. ....	5,270,590	5,486,514
Eagle Indem. ....	1,745,554	1,575,436
L. & L. & G. ....	919,257	899,660
Star .....	240,678	204,016
Federal Union .....	80,226	68,005
Globe Indem. ....	6,616,116	6,875,775
<b>Total</b> .....	<b>\$16,971,000</b>	<b>\$17,150,558</b>
Amer. Auto., Mo. ....	13,121,740	13,858,127
Amer. Auto. Fire. ....	3,329,168	2,865,032
<b>Total</b> .....	<b>\$16,450,908</b>	<b>\$16,723,159</b>
Automobile, Conn. ....	\$ 3,317,622	\$ 2,863,805
Iowa Fire .....	18,369	14,153
Standard, Conn. ....	64,869	66,157
Aetna Cas. & Sur. ....	12,109,711	11,954,150
Aetna Life .....	403,027	1,085,937
<b>Total</b> .....	<b>\$15,913,598</b>	<b>\$15,984,202</b>

	1939	1938
Continental .....	\$ 2,470,548	\$ 2,252,192
Fidelity-Phenix .....	2,987,162	2,646,752
American Eagle .....	296,185	234,080
First American .....	247,935	176,427
Maryland .....	67,430	54,924
Niagara .....	551,599	510,076
Fidelity & Cas. ....	6,822,965	7,712,517
<b>Total</b> .....	<b>\$13,443,824</b>	<b>\$13,586,908</b>
Employers Fire .....	\$ 1,099,710	\$ 878,558
Employers Liab. ....	9,013,534	9,016,801
Amer. Employers .....	2,581,455	2,457,573
<b>Total</b> .....	<b>\$12,694,699</b>	<b>\$12,352,932</b>
General Accident .....	\$10,783,656	\$11,717,957
Potomac Fire .....	1,138,218	796,426
<b>Total</b> .....	<b>\$11,921,874</b>	<b>\$12,514,383</b>
Firemen's Newark .....	\$ 2,364,705	\$ 1,870,825
Girard F. & M. ....	275,882	230,381
Natl. Ben. Franklin .....	275,882	230,381
Concordia .....	275,882	230,381
Milwaukee Meens. ....	748,823	615,520
Metro. Cas. ....	3,563,927	3,318,309
Commercial Cas. ....	3,035,911	2,812,086
<b>Total</b> .....	<b>\$10,541,012</b>	<b>\$ 9,307,883</b>
U. S. Fid. & Guar. ....	\$ 8,560,538	\$ 8,978,368
Fid. & Guar. Fire. ....	1,799,792	1,597,496
<b>Total</b> .....	<b>\$10,340,330</b>	<b>\$10,575,844</b>
Aetna Fire .....	\$ 6,233,329	\$ 5,408,258
World F. & M. ....	441,115	477,803
Piedmont, N. C. ....	581,957	366,902
Century Indem. ....	3,039,378	3,155,128
<b>Total</b> .....	<b>\$10,295,679</b>	<b>\$ 9,408,091</b>
Ins. Co. of N. A. ....	\$ 2,665,897	\$ 2,250,288
Central Fire, Md. ....	149,957	126,579
Alliance, Pa. ....	299,913	253,157

	1939	1938
Phila. F. & M. ....	166,618	140,643
National Security .....	49,985	42,193
Ind. Ins. Co. of N.A. ....	4,344,245	4,454,875
<b>Total</b> .....	<b>\$ 7,676,615</b>	<b>\$ 7,207,735</b>
Continental Cas. ....	\$ 6,235,266	\$ 5,686,446
National Cas. ....	465,418	457,198
Transportation .....	109,719	42,012
<b>Total</b> .....	<b>\$ 6,810,403</b>	<b>\$ 6,185,656</b>
New Amsterdam .....	\$ 4,048,654	\$ 4,184,461
U. S. Cas. ....	1,931,677	1,862,569
<b>Total</b> .....	<b>\$ 5,980,331</b>	<b>\$ 6,047,030</b>
Great American .....	\$ 1,180,764	\$ 1,024,351
Amer. Alliance .....	153,318	133,179
Mass. F. & M. ....	31,108	27,060
Rochester Amer. ....	61,772	53,696
County, Pa. ....	31,108	27,060
Detroit F. & M. ....	61,772	53,696
Gt. Amer. Indem. ....	3,895,389	4,069,863
<b>Total</b> .....	<b>\$ 5,415,231</b>	<b>\$ 5,388,905</b>
Pacific, N. Y. ....	\$ 1,987,573	\$ 1,574,715
Bankers & Ship. ....	2,349,686	1,813,984
Jersey .....	1,057,657	896,382
<b>Total</b> .....	<b>\$ 5,394,916</b>	<b>\$ 4,285,081</b>
Fireman's Fund .....	\$ 2,648,732	\$ 2,906,909
Fireman's Fd. Ind. ....	1,923,836	2,084,030
Occidental Indem. ....	525,827	535,337
<b>Total</b> .....	<b>\$ 5,098,395</b>	<b>\$ 5,526,276</b>
Zurich Fire .....	\$ 608,884	\$ 623,957
Zurich Genl. Acci. ....	4,427,280	4,968,462
<b>Total</b> .....	<b>\$ 5,036,164</b>	<b>\$ 5,592,419</b>
Coml. Union, Eng. ....	\$ 669,747	\$ 551,781
American Central .....	360,982	287,185
Palatine .....	160,448	132,096
Union, London .....	164,891	135,748
California .....	227,260	187,084
Coml. Union, N. Y. ....	142,577	117,383
British Genl. ....	62,369	51,850
Ocean Accident .....	1,917,470	2,831,853
Columbia Cas. ....	1,315,536	537,969
<b>Total</b> .....	<b>\$ 5,021,280</b>	<b>\$ 4,842,920</b>
St. Paul F. & M. ....	\$ 1,973,282	\$ 1,474,075
Mercury .....	351,283	360,876
St. Paul Mer. Ind. ....	2,692,033	2,678,457
<b>Total</b> .....	<b>\$ 5,016,598</b>	<b>\$ 4,513,408</b>
Ohio Cas. ....	\$ 4,910,479	\$ 4,606,014
Ohio Ins. ....	71,503	24,596
<b>Total</b> .....	<b>\$ 4,981,982</b>	<b>\$ 4,630,610</b>
Alliance, Eng. ....	\$ 334,539	\$ 257,136
Marine .....	332,914	256,402
Sea .....	135,896	102,854
Federal .....	1,869,964	1,439,966
U. S. Guar. ....	2,152,910	2,311,126
<b>Total</b> .....	<b>\$ 4,824,223</b>	<b>\$ 4,367,484</b>
National, Hartfd. ....	\$ 3,906,969	\$ 3,178,320
Mechanics & Trad. ....	290,232	263,104
Franklin National .....	133,953	108,971
Transcontinental .....	133,953	108,971
<b>Total</b> .....	<b>\$ 4,465,107</b>	<b>\$ 3,650,366</b>
Fire Assn. ....	\$ 3,203,536	\$ 1,960,984
Reliance .....	341,711	299,172
Lumbermen's .....	512,566	313,757
Phila. National .....	213,569	130,732
<b>Total</b> .....	<b>\$ 4,271,382</b>	<b>\$ 2,614,645</b>
Phoenix, London .....	\$ 420,987	\$ 409,668
Imperial .....	109,144	106,210
Columbia, N. Y. ....	85,756	85,451
United Firemen's .....	116,940	117,296
Union Marine .....	46,776	45,518
Phoenix Indem. ....	1,348,056	1,367,179
London Guar. & Ac. ....	2,092,731	2,316,796
<b>Total</b> .....	<b>\$ 4,220,390</b>	<b>\$ 4,442,618</b>
Glens Falls .....	\$ 1,325,821	\$ 1,146,430
Commerce .....	365,463	298,052
Glens Falls Indem. ....	2,463,339	2,589,256
<b>Total</b> .....	<b>\$ 4,154,623</b>	<b>\$ 4,033,738</b>
First National .....	\$ 35,592	.....
General, Wash. ....	1,612,833	1,319,786
General Cas. ....	2,319,590	2,287,553
<b>Total</b> .....	<b>\$ 3,968,015</b>	<b>\$ 3,607,339</b>
Protective Indem. ....	\$ 356,425	\$ 279,146
Preferred Acci. ....	3,423,495	2,913,136
<b>Total</b> .....	<b>\$ 3,779,920</b>	<b>\$ 3,192,282</b>
Allstate .....	\$ 2,905,868	\$ 2,471,316
Allstate Fire .....	798,466	554,047
<b>Total</b> .....	<b>\$ 3,704,334</b>	<b>\$ 3,025,363</b>
Swiss Reins. ....	\$ 58,887	\$ 82,783
Europ. Gen. Reins. ....	3,291,233	5,104,155
<b>Total</b> .....	<b>\$ 3,350,120</b>	<b>\$ 5,186,938</b>
Standard, N. Y. ....	\$ 781,697	\$ 687,434
Meiji Fire .....	175,711	148,319
Tokio M. & F. ....	878,785	764,602
Stand. Sur. & Cas. ....	1,484,085	1,126,114
<b>Total</b> .....	<b>\$ 3,318,278</b>	<b>\$ 2,706,469</b>
American, N. J. ....	\$ 1,076,668	\$ 974,534
Columbia, O. ....	45,816	41,470
Dixie Fire .....	22,908	20,735
Bankers Indem. ....	1,846,744	1,805,258
<b>Total</b> .....	<b>\$ 2,992,136</b>	<b>\$ 2,841,097</b>
Royal Exch. ....	\$ 344,245	\$ 282,319
Car & General .....	2,592,295	2,202,422
<b>Total</b> .....	<b>\$ 2,936,640</b>	<b>\$ 2,484,741</b>
London & Lanc. ....	\$ 524,984	\$ 488,890
Orient .....	149,510	128,833
Law Union & Rock .....	81,574	63,261
Safeguard .....	226,413	162,597
Standard Marine .....	44,227	17,767
Marine, Eng. ....	332,914	256,402
Lon. & Lanc. Ind. ....	1,478,286	1,683,231
<b>Total</b> .....	<b>\$ 2,837,908</b>	<b>\$ 2,800,931</b>
Central Sur. Fire. ....	\$ 198,913	\$ 139,674
Central Surety .....	2,397,572	2,433,497
<b>Total</b> .....	<b>\$ 2,596,485</b>	<b>\$ 2,573,171</b>
United States F. ....	\$ 324,942	\$ 638,545
North River .....	280,634	292,656
Richmond .....	70,353	57,117
British Amer. ....	31,670	45,773
Western, Ont. ....	131,644	89,526

WHAT RACIAL  
EXTRACTION?

HAS HE A LOSS RECORD?

WHAT IS HIS  
REPUTATION?

DOES HE READ  
AND WRITE ENGLISH?

HOW MUCH  
INCOME?

HOW OLD IS HE?

ANY PHYSICAL  
DEFORMITIES?

MARRIED OR SINGLE?

WHAT IS HIS BUSINESS?

WHAT TYPE OF CAR?

DOES HE DRINK?

DOES HE DRIVE  
AFTER DRINKING?

ANY OTHER  
DRIVERS?

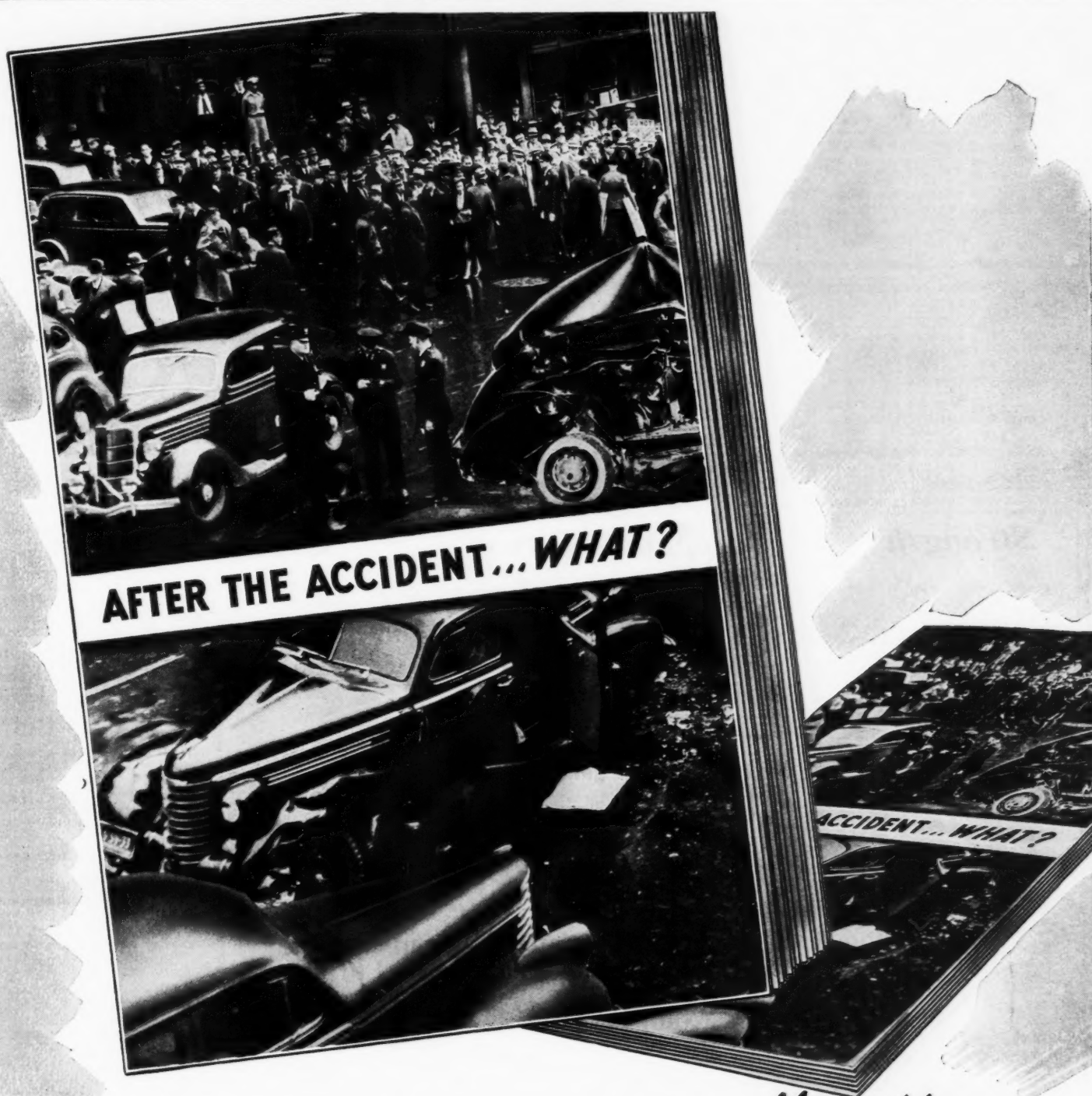
WHERE IS THE CAR KEPT?

IS THE CAR IN  
GOOD CONDITION?

## A Hooper-Holmes Report Gives All the Answers

THE HOOPER-HOLMES BUREAU, INC.

102 MAIDEN LANE, NEW YORK



## TO HELP ÆTNA AGENTS MAKE *More Money* SELLING AUTOMOBILE INSURANCE IN 1940

ANNOUNCED just a few weeks ago, the 24-page booklet shown above already has been acclaimed by Ætna representatives as an unusually effective aid in the sale of Ætna Automobile Insurance. Containing twenty-seven dramatic illustrations and brief copy, the booklet describes the many important features of

coverage and service afforded by an Ætna Automobile Liability Insurance Policy. ¶ An unusual feature of the book is that two editions have been printed — a "large" size (5 $\frac{3}{8}$  x 8 $\frac{3}{8}$ ) for use in sales presentations and an EXACT MINIATURE (3 $\frac{1}{2}$  x 5) for use in mailings or for personal distribution. ¶ It pays to be an Ætna-izer.

THE ÆTNA CASUALTY AND SURETY COMPANY  
THE STANDARD FIRE INSURANCE COMPANY  
HARTFORD



THE ÆTNA LIFE INSURANCE COMPANY  
THE AUTOMOBILE INSURANCE COMPANY  
CONNECTICUT

	Premiums 1939	Premiums 1938
Allemania .....	159,127	106,478
Westchester .....	860,233	569,004
Southern, N. C. ....	61,104	47,522
<b>Total .....</b>	<b>\$ 2,519,707</b>	<b>\$ 1,846,021</b>
Sun .....	787,478	420,584
Sun Underwriters .....	113,317	89,037
Patriotic .....	155,423	139,847
Sun Indem. ....	1,451,184	1,612,853
<b>Total .....</b>	<b>\$ 2,507,402</b>	<b>\$ 2,262,321</b>
Mfrs. Fire, Pa. ....	77,697	71,809
Mfrs. Cas. ....	2,356,025	2,526,887
<b>Total .....</b>	<b>\$ 2,433,722</b>	<b>\$ 2,598,696</b>
No. British & Merc. ....	776,342	787,483
Pennsylvania .....	726,957	822,544
Commonwealth .....	346,032	355,391
Mercantile .....	385,023	499,036
Homeland .....	189,028	191,587
Ocean Marine .....	—1,608	5,078
<b>Total .....</b>	<b>\$ 2,421,774</b>	<b>\$ 2,661,119</b>
Amer. Surety .....	1,344,155	1,326,583
N. Y. Cas. ....	853,111	913,506
<b>Total .....</b>	<b>\$ 2,197,266</b>	<b>\$ 2,240,089</b>
Springfield F. & M. ....	1,862,928	1,496,019
Sentinel .....	54,600	44,000
Mich. F. & M. ....	219,146	176,002
New England .....	54,786	44,000
<b>Total .....</b>	<b>\$ 2,191,460</b>	<b>\$ 1,760,021</b>
General Reinsur. ....	1,941,135	2,085,795
North Star .....	173,504	109,812
<b>Total .....</b>	<b>\$ 2,114,639</b>	<b>\$ 2,195,607</b>
Western Fire .....	481,868	472,891
Western Cas. & Sur. ....	1,615,057	1,924,811
<b>Total .....</b>	<b>\$ 2,096,925</b>	<b>\$ 2,397,702</b>

	Premiums 1939	Premiums 1938
Dubuque F. & M. ....	1,421,587	986,676
Natl. Reserve .....	514,726	353,717
<b>Total .....</b>	<b>\$ 1,936,313</b>	<b>\$ 1,340,393</b>
Keystone A. C. F. ....	217,537	208,030
Keystone A. C. Cas. ....	1,701,015	1,866,725
<b>Total .....</b>	<b>\$ 1,918,552</b>	<b>\$ 2,074,755</b>
National Union .....	1,809,519	1,668,812
Birmingham .....	83,526	86,913
<b>Total .....</b>	<b>\$ 1,893,045</b>	<b>\$ 1,755,725</b>
Pearl Assur. ....	801,426	707,048
Eureka-Sec. F. & M. ....	707,548	353,524
Monarch Fire .....	318,955	353,524
<b>Total .....</b>	<b>\$ 1,827,929</b>	<b>\$ 1,414,096</b>
Buckeye Un. Cas. ....	1,804,260	1,791,361
Buckeye Un. Fire .....	1,237	.....
<b>Total .....</b>	<b>\$ 1,805,496</b>	<b>\$ 1,791,361</b>
Amer. Fire, Tex. ....	41,746	2,171
Amer. Indem. ....	1,714,053	1,594,363
<b>Total .....</b>	<b>\$ 1,755,799</b>	<b>\$ 1,596,534</b>
Phoenix, Hartford .....	970,324	712,799
Connecticut .....	585,540	430,137
Equit. F. & M. ....	117,108	86,927
Gr. Eastern, N. Y. ....	17,694	13,011
<b>Total .....</b>	<b>\$ 1,690,606</b>	<b>\$ 1,241,974</b>
Agricultural .....	1,416,277	1,098,636
Empire State .....	138,991	92,929
<b>Total .....</b>	<b>\$ 1,555,268</b>	<b>\$ 1,191,565</b>
Ohio Farmers .....	766,150	629,497
Ohio Farm. Indem. ....	716,312	723,850
<b>Total .....</b>	<b>\$ 1,482,462</b>	<b>\$ 1,353,347</b>
Northwestern Natl. ....	590,292	518,616
Northw. Natl. Cas. ....	793,032	780,585
<b>Total .....</b>	<b>\$ 1,383,324</b>	<b>\$ 1,299,201</b>

	Premiums 1939	Premiums 1938
Pa. Mfrs. Assn. ....	146,106	136,163
Pa. Mfrs. As. Cas. ....	1,212,991	1,250,672
<b>Total .....</b>	<b>\$ 1,359,097</b>	<b>\$ 1,386,835</b>
Security, Conn. ....	510,422	430,040
East & West .....	105,377	178,355
Connecticut Ind. ....	708,671	579,618
<b>Total .....</b>	<b>\$ 1,324,470</b>	<b>\$ 1,188,013</b>
Merchants, N. Y. ....	599,340	570,917
Washington Assur. ....	72,336	68,512
Merchants Indem. ....	639,357	760,555
<b>Total .....</b>	<b>\$ 1,311,033</b>	<b>\$ 1,400,984</b>
Universal .....	1,075,535	541,905
Universal Indem. ....	194,673	250,664
<b>Total .....</b>	<b>\$ 1,270,208</b>	<b>\$ 792,569</b>
Amer. Equitable .....	409,387	329,265
Globe & Republic .....	237,064	189,868
Knickerbocker .....	178,149	144,203
Merch. & Mfrs. ....	140,340	112,959
New York Fire .....	205,061	163,431
Sussex Fire .....	21,630	.....
<b>Total .....</b>	<b>\$ 1,169,991</b>	<b>\$ 961,356</b>
Gulf .....	765,641	676,753
Atlantic, Tex. ....	305,397	292,818
<b>Total .....</b>	<b>\$ 1,071,038</b>	<b>\$ 969,571</b>
New Hampshire .....	781,480	556,959
Granite State .....	202,290	118,436
<b>Total .....</b>	<b>\$ 983,770</b>	<b>\$ 675,395</b>
Providence Wash. ....	879,119	910,936
Anchor .....	100,073	83,472
<b>Total .....</b>	<b>\$ 979,192</b>	<b>\$ 994,408</b>
N. J. Mfrs. Assn. F. ....	330,674	330,210
N. J. Mfrs. Cas. ....	521,158	534,641
<b>Total .....</b>	<b>\$ 851,832</b>	<b>\$ 864,851</b>

	Premiums 1939	Premiums 1938
Assoc. Indem. ....	778,937	806,849
Assoc. F. & M. ....	53,613	51,721
<b>Total .....</b>	<b>\$ 832,550</b>	<b>\$ 858,570</b>
London Assur. ....	531,055	504,929
Manhattan F. & M. ....	161,310	140,947
Union Fire, Fr. ....	99,168	94,835
<b>Total .....</b>	<b>\$ 791,533</b>	<b>\$ 740,711</b>
Boston .....	572,265	543,128
Old Colony .....	177,445	171,633
<b>Total .....</b>	<b>\$ 749,710</b>	<b>\$ 714,761</b>
Globe & Rutgers .....	473,827	341,423
American Home .....	242,126	218,150
<b>Total .....</b>	<b>\$ 715,953</b>	<b>\$ 559,573</b>
Land. & Provincial .....	48,932	38,919
Seaboard F. & M. ....	33,428	56,935
Yorkshire .....	244,658	194,596
Yorkshire Indem. ....	345,909	371,071
<b>Total .....</b>	<b>\$ 672,027</b>	<b>\$ 601,521</b>
Selected Risks F. ....	66,443	54,642
Selected Risks Ind. ....	571,979	562,024
<b>Total .....</b>	<b>\$ 638,422</b>	<b>\$ 616,666</b>
Dearborn Natl. ....	145,515	65,664
Great Lakes Cas. ....	441,895	669,807
<b>Total .....</b>	<b>\$ 587,410</b>	<b>\$ 735,471</b>

## NON-STOCK AND MIXED

	Premiums 1939	Premiums 1938
Glen Cove Mut. ....	63,559	51,043
Federal Mut. Fire .....	224,202	189,294
Natl. Retailers M. ....	1,037,035	960,605
Amer. Motorists .....	4,729,041	4,823,831
Lumb. Mut. Cas. ....	16,320,524	16,277,864
<b>Total .....</b>	<b>\$22,374,361</b>	<b>\$22,302,637</b>
State Farm Fire .....	24,340	2,359
State Farm M. Aut. ....	15,225,430	13,037,655
<b>Total .....</b>	<b>\$15,249,770</b>	<b>\$13,040,014</b>
United Mut. Fire .....	1,269,075	1,069,178
Liberty Mut. ....	12,235,569	11,591,345
<b>Total .....</b>	<b>\$13,504,644</b>	<b>\$12,660,523</b>
Minn. Impl. Mut. ....	381,590	335,236
Hdwe. Dl. Mut. F. ....	375,900	768,467
Hdwe. Mut. Cas. ....	7,167,481	7,220,887
<b>Total .....</b>	<b>\$ 7,924,971</b>	<b>\$ 8,324,590</b>
Farmers Aut. Cal. ....	6,666,128	5,860,206
Truck Ins. Ex. ....	1,163,550	1,028,445
<b>Total .....</b>	<b>\$ 7,829,678</b>	<b>\$ 6,888,651</b>
Allied Am. M. F. ....	540,486	444,461
Amer. M. Liab. ....	4,027,075	4,074,985
Amer. Policyhold. ....	1,158,992	1,042,930
<b>Total .....</b>	<b>\$ 5,726,553</b>	<b>\$ 5,562,376</b>
Farm Bur. Mut. O. ....	5,395,642	5,999,814
Farm Bur. Mut. F. ....	248,827	213,974
<b>Total .....</b>	<b>\$ 5,644,469</b>	<b>\$ 6,213,788</b>
Motor Indem. ....	1,710,234	914,746
Emmco .....	2,097,183	1,095,582
Emmco Cas. ....	50,277	.....
<b>Total .....</b>	<b>\$ 3,857,694</b>	<b>\$ 2,010,328</b>
Automobile Mut. ....	684,645	622,090
Factory Mut. Liab. ....	2,943,367	3,053,177
<b>Total .....</b>	<b>\$ 3,628,012</b>	<b>\$ 3,675,267</b>
Allied Fire .....	74,538	68,760
Utica Mutual .....	3,281,931	3,312,353
<b>Total .....</b>	<b>\$ 3,356,469</b>	<b>\$ 3,381,113</b>
Northw. M. Wash. ....	686,474	849,664
Northw. Cas. ....	1,783,265	1,309,996
<b>Total .....</b>	<b>\$ 2,469,739</b>	<b>\$ 2,159,660</b>
Employ. Mut. Fire .....	179,172	123,142
Employers M. Liab. ....	1,879,589	1,753,538
<b>Total .....</b>	<b>\$ 2,058,761</b>	<b>\$ 1,876,680</b>
Peerless Cas. ....	212,383	147,168
Natl. Grange Fire .....	67,194	50,474
Natl. Grange M. L. ....	1,598,116	1,498,305
<b>Total .....</b>	<b>\$ 1,877,693</b>	<b>\$ 1,695,947</b>
Harleysville M. Cas. ....	1,733,881	1,805,146
Mut. A. F., Harleys. ....	75,120	74,842
<b>Total .....</b>	<b>\$ 1,809,001</b>	<b>\$ 1,879,988</b>
Equity Mut. ....	347,148	298,855
Cas. Recip. Exch. ....	1,396,633	1,311,872
<b>Total .....</b>	<b>\$ 1,743,781</b>	<b>\$ 1,610,727</b>
Celina Mut. Cas. ....	707,522	698,577
Natl. Mut. ....	2,892	1,567
Mercer Cas. ....	502,349	531,799
<b>Total .....</b>	<b>\$ 1,212,963</b>	<b>\$ 1,231,983</b>
United Auto, Mich. ....	83,416	83,416
Hawkeye Cas. ....	684,177	580,964
Trav. Mut. Cas. ....	309,118	420,688
<b>Total .....</b>	<b>\$ 993,295</b>	<b>\$ 1,085,068</b>
Central Mfrs. Mut. ....	926,279	753,180
Ohio Und. Mut. ....	59,649	33,062
<b>Total .....</b>	<b>\$ 985,928</b>	<b>\$ 786,242</b>
*Liquidated in 1939		

Strength

Dependability

Service



## Affiliated Companies:

London & Lancashire Indemnity Company  
Law Union & Rock Insurance Company, Ltd.  
Safeguard Insurance Company  
Orient Insurance Company

Agents representing the Automobile Departments of these Companies have available

Modern policy forms

Combination policies

Unquestioned financial strength

Experienced underwriters

Prompt field and adjustment service

## Departmental Offices

Hartford

New York

Chicago

San Francisco

## One Out of 25 Cars In Automobile Accidents

Last year there were 28,640 passenger cars involved in fatal accidents or one in every 900 of the 25,804,340 licensed in the country. There were 1,043,560 passenger cars involved in non-fatal accidents or one out of every 25.

## Prominent Minnesota Man on Compulsory Measure

A prominent agent in Minnesota writes THE NATIONAL UNDERWRITER, commenting on its editorial in the issue of March 14, captioned "Reappraisal of the Compulsory Idea." This had to do with the observations of Superintendent Pink of New York in his advocacy of a compulsory automobile insurance act, with the most objectionable features of the Massachusetts measure eliminated. The agent in his comment says:

"First, I want to tell you that I sincerely think your editorial was well written and thank goodness it is somewhat reactionary and not entirely progressive in thought.

### What It Would Cost Minnesota

"Then, I want to ask you how there can be any compromise with a 'stand pat' reactionary attitude, when fundamentally the plan is so unsound and so unfair? For example, here in Minnesota it would cost the automobile owners approximately \$27,000,000 to have a compulsory automobile law. Out of this, \$13,500,000 would go for administration, whether the business was handled by private companies or by a state fund. Of the remaining \$13,500,000, approximately \$4,500,000 would go to the attorneys for the plaintiffs. This leaves \$9,000,000 to be distributed among claimants. In other words, one-third of the amount collected would find its way back to correct what some people call a social evil. \$18,000,000 is too much to spend to put \$9,000,000 in the hands of unfortunate victims of automobile accidents. In one year in Massachusetts when 38,811 non-fatal claims were made by occupants of other cars, 35,818 claims were settled for \$300 or less per car, and 3,574 of that number were settled for \$200 or less and there were 20,058 of that number settled for \$100 or less, and the average cost per claim in the 20,058 cases was \$47 per car.

"Perhaps people having a \$300 loss do some suffering but it is difficult to recognize that the suffering alleviated is anywhere near in proportion with the hardships imposed upon 65 percent of the motorists who make \$30 or less per week by the collection of an insurance premium that amounts to approximately \$5 per month in Boston and similar charges in other cities.

"In spite of what Mr. Pink says, why shouldn't the insurance men summon all of the familiar arguments against a compulsory law and engage in a campaign to defeat the proposal? Personally, I think they are being very unselfish, very fair-minded and very good American citizens when they decide to 'do it the hard way.'

### Comments on L. H. Pink's Plan

"Mr. Pink suggests some nebulous plan whereby the companies can fix their own rates and select their own risks. This is a beautiful theory and he is to be commended for recognizing the problems of the insurance companies, but until God decides to change human nature, Mr. Pink's plan will never be carried to maturity. As an illustration, out here in Minnesota at a little town called Alexandria, the city fathers imposed upon all dog owners a tax of \$0.50 per dog. The county commissioners thought this would be a good way to raise money and imposed a similar tax on all dogs in the county. At the next meeting of the board of commissioners there were over 300 farmers present to protest the payment of this \$0.50 tax and the county commissioners eventually rescinded their order. This is an illustration of what a pressure group will do. Is it reasonable to presume that a pressure group composed of several hundred thousand motorists who are purchasing insurance against their will, will not insist that the state regulate rates to a point where they will be

reduced to a degree that might even affect the solvency of the carriers?

"When a motorist is compelled by law to carry insurance and if he cannot obtain such insurance, he is told he cannot drive a car, will he permit the insurance company to give him this verdict or isn't it logical to presume that a pressure group would force an arbitra-

tion board set-up, such as they have in Massachusetts, where in 1938 out of 4,044 cases which the companies refused to write, the board sustained the companies in only 583. Let's face the facts and realize that when an insurance premium is forced out of a motorist, he will consider it a tax and will be just as interested in keeping that tax down as he is any other tax, and further, let us recognize that every motorist feels he has an inherent right to drive a car on the state highways and that he will not permit any private individual or private corporation to tell him he cannot so drive.

"For the past 15 years I have been interested in this subject and my ears have been on the alert to catch any remarks made. Frankly, I cannot see that there is much of a demand for such legislation. The people who are doing the most talking are the ones in the social category who now carry insurance and who are irked because some poor man does \$50 worth of damage to his car, and the other class, which is pushing such legislation, is the attorneys who are not far sighted enough to realize that instead of such a law increasing their income, it has the opposite effect

(CONTINUED ON LAST PAGE)

Fire  
Tornado  
Rent, Use and Occupancy  
Personal Property Insurance



Automobile  
Public Liability  
Burglary and Plate Glass  
Fidelity and Surety Bonds

## The Western Casualty and Surety Company The Western Fire Insurance Company

### Statement of Condition as of December 31, 1939

#### ADMITTED ASSETS

	Western Casualty and Surety Co.	Western Fire Insurance Co.
United States Government Bonds	\$ 618,877.89	\$ 145,290.60
State, County and Municipal Bonds	1,021,371.30	171,518.10
Other Bonds	377,072.66	49,306.75
Corporate Stocks		561,260.00
Stock of Subsidiary Fire Co.	822,931.45	
CASH	802,974.87	174,409.26
Real Estate (Home Office)		213,577.87
Accrued Interest	23,405.31	3,569.05
Premiums in Course of Collection	596,776.62	63,874.78
<b>Total Admitted Assets</b>	<b>\$4,263,410.10</b>	<b>\$1,382,806.41</b>

#### LIABILITIES

Reserve for Losses	\$1,509,343.52	\$ 47,485.85
Reserve for Unearned Premiums	1,291,446.37	475,494.76
Reserve for Commissions	135,906.12	
Reserve for Taxes and Expenses	96,383.22	28,581.91
Reserve for Contingencies	100,000.00	
<b>Total Liabilities</b>	<b>\$3,133,079.23</b>	<b>\$ 551,562.52</b>
Capital	\$ 750,000.00	\$ 500,000.00
Surplus	380,330.87	331,243.89
<b>Surplus as regards Policyholders</b>	<b>\$1,130,330.87</b>	<b>\$ 831,243.89</b>
<b>TOTAL</b>	<b>\$4,263,410.10</b>	<b>\$1,382,806.41</b>

Note: In the above statements bonds are carried at amortized values. Stocks are carried at December 31, 1939 market values.

Premiums Written Since Organization	\$35,059,642.54
Losses Paid Since Organization	17,278,034.91



E. C. GORDON, Secretary-Treasurer

916 Walnut St.  
Kansas City, Mo.

Home Office  
Fort Scott, Kansas

RAY B. DUBOC, President

A-1924 Insurance Exchange  
Chicago, Ill.

# Effect of Automobile Problem on Insurance Business

By MILLER McCLINTOCK  
Director Traffic Audit Bureau, Inc.

The modern industrial economy in which we live began approximately a century ago with what is commonly known as the industrial revolution. Theretofore, individuals and families were self-sufficient to a considerable degree. Industry was largely of the handicraft type and such necessities of life as could not be produced by the individual or by his immediate family unit were usually bartered for in the local market.

The industrial revolution, with the application of power to the machinery of production, resulted in a high degree of division of labor and, thus, much less self-sufficiency on the part of the individual and the family unit. Man became a specialist in some particular phase of production, and became dependent upon the rest of society for the fulfillment of his other needs. Economy became a money economy, and the failure of an individual, through dis-

ability or through death, to sustain his money income meant poverty to the family unit.

It is, perhaps, this great change in social economy which has given to insurance its vital significance in modern life. It permits the individual to protect himself against either the exigencies of disability or the ultimate exigency of death. Insurance means that, with some frugality during the earning period, an individual may provide a degree of protection to his family, even after his own earning period is over.

At the turn of the present century, there began another revolutionary development of no less significance. This may be referred to as the automotive revolution. The full history of this development cannot yet be written, for the full consequences have not yet developed. It is possible, however, to evaluate some of the changes which

have been wrought in American life and to anticipate some of the final developments.

For countless centuries before the coming of the automobile, there had been little or no functional change in the individual means of transportation for man or his commodities. Since the earliest dawn of history, man had moved himself or his goods in wheeled vehicles propelled by his own muscle power or by the muscle power of domesticated animals. An hour's journey was measured in terms of from three to four or five miles. A day's journey was normally counted at approximately thirty miles, or the average distance a beast of burden could travel in a normal day.

## Changes in Relationships

All men had to live within close proximity to their work. A neighborhood had to be that area within close walking distance of the home. Family groups tended to stay in compact areas. Despite the dependence of the individual and of the family unit upon its earning power in an industrial society, there still remained a considerable degree of interdependence within the family group itself. In case of illness, the others of the family could carry on, in case of death, the other members of the family could support the survivors.

The automotive revolution brought basic changes in these old relationships. A neighborhood was no longer the area in the immediate vicinity of the home, but was enlarged to include wide areas. An hour's journey was converted from five miles an hour to 50, and a day's journey from 30 miles to as much as 300 miles. Daily contacts between members of family groups become less frequent and, as the individual members had greater opportunities for living and finding employment in comparatively far-distant places, the interdependence of the members of the family became weakened.

This, in turn, just as the earlier industrial revolution, brought increasing necessity for the individual to provide himself not only with the daily means of livelihood, but, likewise, with much assurance against future disability loss or death as might be necessary to provide reasonable protection to the members of his own immediate family.

## Breadth of Development

Something of the impact of the automotive revolution upon American society can be observed if we trace the rapidity and breadth of the development. In 1900, there were practically no automobiles in the United States. At present, there are 30 million automobiles operating over our streets and highways. In 1900, there was, of course, practically no automobile mileage developed in the United States, and yet, today, these 30 million automobiles develop an annual mileage of approximately 250 billion car-miles and approximately 500 billion passenger-miles.

In 1900, there were practically no hard surfaced roadways in the United States, other than upon few city streets. At present, there is a three million mile highway system, approximately 300,000 miles of which are hard surfaced.

At the turn of the century, the hazards of the streets and highways consisted of such minor catastrophes as falls occasioned by stepping on banana peels, or accidents resulting from the occasional runaway horse. Today, on the other hand, each year shows more than 30,000 fatalities resulting from traffic accidents. Each year more than 125,000 persons are permanently disabled because of traffic mishaps. Each year more than 1,000,000 people suffer some degree of personal injury. The total traffic accident loss in the United States is estimated at more than one billion dollars.

## New Hazards in Society

Not only has the automobile, through its social impact, increased the necessity for personal financial protection due to the breakdown of family interdepend-

ence, but it has, likewise, thrown into society a new hazard. In volume, this hazard is, of itself, sufficient to cause a substantial increase in the demand for insurance protection. This, however, is, by no means, all of the story. Deaths or disability from old age or from age-old diseases pass more or less as a matter of course in the mind of public opinion. Death or injury upon the highway, however, takes on a different significance. It is dramatized. The walker upon the streets and highways, and the drivers of motor cars, have a far more lively sense of the potential hazards of the open way than they do of the less dramatic forms of injury or death.

## Vital Market For Insurance

Unquestionably, the automobile market for insurance, both because of its relative economic ability and, likewise because of the omnipresent consciousness of hazard, has created a new and vital market for insurance protection. This is certainly reflected in the casualty field, for nothing other than a lively sense of the possibility of danger could account for the tremendous volume of casualty insurance which is written annually in the United States. This lively sense of potential danger and the necessity to protect one's self against liabilities, which may arise from accidents, must, of necessity, create in the minds of all users of the highway a similar necessity to protect himself and his family through insurance against other and related types of loss.

It is significant that the automobile accident situation was the principal motive for the enactment of the compulsory motor vehicle liability law in Massachusetts, and that it is frequently used as a potent argument for the socialization of casualty insurance in legislative halls throughout the nation.

## Analyzing Automotive Market

There is very good reason why those who are selling insurance protection should give some special consideration to an accurate analysis of what may be called the automotive market. Those who consistently ride in and drive automobiles are, naturally, more conscious of the dramatic hazards of the open road and are, therefore, perhaps more likely than others to seek the necessary protection. This, however, is only one side of the picture.

If one were to draw a single, rough dividing line between that group of citizens economically capable of acquiring insurance protection in some volume and those who were incapable, or, at least, less capable of providing themselves with such protection, the analyst could not do much better than to place automobile owners in the first class and non-owners in the second class. Thus, the automotive revolution has created an almost automatic market for insurance protection, both because of the creation of a need and through a more or less automatic classification of the more economically capable prospects.

It is true also that the automotive revolution has profoundly affected the social philosophy of the American people. Philosophies and attitudes are no longer founded exclusively upon neighborhood information. The whole nation is a neighborhood to the man with a motor. While the automobile has, unquestionably, tended to standardize and unify public thinking, it has also tended to broaden and to liberalize it. It has opened demands and ambitions for social and material opportunities, which may be one of the real forces behind the present period of social unrest.

## Liberal With Money of Others

Juries are noted for being liberal with other peoples money. Reports of large verdicts are numerous and provide pertinent evidence to present prospects, especially those with money who are obvious targets for claimants. Corporations and wealthy people need high limits as juries are especially susceptible to the "share the wealth" idea.



## INDIANA ASSOCIATION OF INDEPENDENT INSURANCE ADJUSTERS

The Indiana adjusters shown here are experienced, full-time insurance claim adjusters. All are members of the National Association of Independent Insurance Adjusters and are equipped to render prompt, efficient and dependable state-wide claim service.

Thomas Duncan Adjustment Co.  
201 Third & Main Bldg.  
Evansville

Eugene McIntyre  
Insurance Bldg.  
Indianapolis

Glen Baker Adjustment Co.  
Central Bldg.  
Fort Wayne

Swain Adjustments  
Security Trust Bldg.  
Indianapolis

Robt. Denton Adjustment Co.  
Utility Bldg.  
Fort Wayne

George White  
Glass Block  
Marion

H. G. Dougherty  
Lemcke Bldg.  
Indianapolis

Foley Adjustment Co.  
Christman Bldg.  
South Bend

The aim of these adjusters, like that of the organizations with which they are affiliated, is to raise insurance adjusting to the standard of a profession, with all the rules of ethics, which should properly apply.

# Safe Driver Payments and Rate Cut Caused Stock Casualty Decline

The premiums of stock casualty companies again hit the toboggan last year, the decline being only \$1,000,000 less than during 1938. The decrease is explained to a large extent by the fact that the rates were reduced in connection with the new automobile classification plan of the National Bureau of Casualty & Surety Underwriters that was introduced early last year. Then, too, bureau companies treat safe driver reward payments as return premiums, in their accounting, and the figure, net premiums written, is after safe driver rewards are deducted. The safe driver plan was introduced in 1938 and hence the first payments were made in 1939. The effect of the safe driver credit was first felt last year.

Most of the important bureau companies report that during 1939 the number of car units that they insured was substantially greater than during the previous year. That means that progress was made despite the fact that there was a decline in net premiums written.

A few of the bureau companies were able to produce a plus sign in net premiums written but most of the companies had a decline. Some of the non-

TEN STOCK CASUALTY AUTO LEADERS					
	1939		1938		
	Net Premiums	Paid Losses	Net Premiums	Inc. or Dec. in Premiums	% Inc. or Dec.
1. Travelers	\$14,093,958	\$6,219,946	\$15,995,996	-\$1,902,038	-11.8
Travelers Indem.	6,424,670	2,419,877	6,167,933	+256,737	+4.1
2. American Auto	13,121,740	5,484,083	13,858,127	-736,387	-5.3
3. Hartford Acc.	12,885,517	5,250,096	13,451,528	-566,011	-4.2
4. Aetna Cas.	12,109,717	4,177,324	11,954,150	+155,567	+1.3
Aetna Life	403,027	594,727	1,085,937	-682,910	-62.8
5. General Acci.	10,783,656	4,167,986	11,717,957	-934,301	-7.9
6. Employers Liab.	9,013,534	3,468,055	9,016,801	-3,267	-0.03
Amer. Employ.	2,581,455	1,239,797	2,457,573	+123,882	+5.0
7. U. S. F. & G.	8,560,538	3,496,722	8,978,368	-417,830	-4.6
8. Maryland Cas.	7,104,199	3,364,782	8,018,462	-914,263	-11.4
9. Fid. & Cas.	6,822,965	3,106,423	7,712,517	-889,552	-11.5
10. Globe Indem.	6,616,116	2,848,077	6,875,775	-259,659	-3.9
Royal Indem.	5,270,590	2,232,689	5,486,514	-215,924	-3.9
Eagle Indem.	1,745,554	720,250	1,575,436	+170,118	+10.7

bureau stock companies turned in significant gains, including Accident & Casualty, American Casualty, American Fidelity & Casualty, Car & General, Commercial Casualty, Connecticut Indemnity, Continental Casualty, General Transportation Casualty, which is taking over the business of some of the

mutual companies throughout the country that have been writing the Parmelee-Yellow-Checker business; Home Indemnity, Merchants Indemnity, Pennsylvania Casualty, which made an exceptionally impressive gain, Preferred Accident, Standard Surety & Casualty, Metropolitan Casualty.

Of the bureau companies, Standard Accident had the most sizable gain.

In the stock casualty table are included those companies that in the automobile field confine their writings exclusively to auto liability, property damage and collision. Those stock companies that write the third party coverages and also automobile fire, theft, comprehensive and the other property coverages as well in the same corporate organization, are treated separately in the full coverage table.

Some of the companies in the stock casualty table are automobile specialty companies that have an affiliate that writes the property coverages and in a sense they are full coverage institutions, but the business is divided as between the two corporations. Such companies are Allstate, American Automobile, Keystone Auto Club, Selected Risks Indemnity and one or two others.

Travelers maintains its lead among the stock casualty companies, with net premiums in 1939 of \$14,093,958. In second place is American Automobile with premiums of \$13,121,740; then comes Hartford Accident with premiums of \$12,885,517, then Aetna Casualty, \$12,109,717.

## Automobile Premiums and Losses of Stock Casualty Companies

	1939			Inc. or Dec. in Premiums	1938			Inc. or Dec. in Premiums	
	Net Premiums	Paid Losses	Loss Ratio		Net Premiums	Paid Losses	Loss Ratio		
Accident & Cas.	975,610	204,290	20.9	+458,744	743,641	131,611	225,782	69,615	6.187
Aetna Cas.	12,109,717	4,177,324	34.4	+155,561	9,322,270	3,064,404	2,711,988	1,094,288	45,453
Aetna Life	403,027	594,727	147.6	-682,910	403,027	594,727	1,458,127	1,085,937	18,632
Allstate	2,905,868	920,969	31.6	+434,552	2,244,376	677,062	661,491	243,907	19,601
Amer. Auto.	13,121,740	5,484,083	41.7	-736,387	9,960,086	4,087,941	3,095,008	1,388,091	18,777
Amer. Cas.	2,710,257	1,230,215	45.3	+301,942	1,941,488	843,778	749,168	377,842	19,601
Amer. Employ.	2,581,455	1,239,797	48.0	+123,882	1,944,195	991,253	602,664	232,435	34,596
Amer. Fidelity	285,751	160,637	56.2	-242	189,655	114,658	86,566	40,197	9,140
Am. F. & C. Va.	3,648,362	2,291,543	62.8	+255,355	2,965,797	1,819,179	682,107	472,364	458
Amer. Motorists	4,729,041	1,965,161	41.5	-94,790	3,450,175	1,568,394	980,758	367,900	298,108
Am. Policyholders	1,158,992	738,470	63.7	+116,062	734,877	523,895	417,958	213,459	6,157
Amer. Reins.	784,203	389,223	49.6	-167,736	755,656	382,020	27,881	7,203	666
Amer. Surety	1,344,155	444,401	40.5	+17,570	1,023,202	410,529	311,868	130,750	9,085
Arex Indem.	25,344	2,000	5.6	+14,073	31,407	1,922	3,937	21,271	25
Assoc. Indem.	778,937	416,485	53.4	-27,912	487,922	278,444	175,722	83,095	105,943
Atlantic, Tex.	305,397	123,322	40.3	+12,579	300,817	118,686	1,150	3,677	3,430
Atlantic Cas.	108,370	29,209	26.9	-29,674	82,475	21,010	25,894	8,198	1,959
Bankers Indem.	1,846,744	719,693	38.9	+41,486	1,420,447	538,568	413,697	172,268	12,600
Canadian Ind.	56,833	22,290	39.2	-4,772	43,555	16,054	13,278	6,236	22,893
Car & General	2,592,395	1,157,030	44.6	+289,973	1,969,507	907,831	599,995	240,883	8,316
Central Surety	2,397,572	1,178,499	49.1	-35,925	1,873,168	998,093	508,900	235,207	15,504
Century Indem.	3,039,378	1,362,423	44.8	-115,750	2,351,474	1,059,641	670,006	297,377	17,898
Citizens Cas.	785,327	421,049	53.6	+25,867	715,913	392,128	69,414	26,081	12,019
Columbia Cas.	1,315,536	340,581	25.8	+777,567	993,235	246,840	310,282	90,343	7,776
Commercial Cas.	3,035,911	1,140,442	37.5	+223,824	2,529,560	931,381	487,707	201,285	18,644
Conn. Indem.	708,671	129,993	18.3	+129,053	544,487	161,197	160,584	57,571	1,224
Continental Cas.	6,235,266	2,258,679	36.2	+548,820	4,771,736	1,649,178	1,439,219	595,132	14,371
Eagle Indem.	1,745,554	720,250	41.2	+170,118	1,361,948	547,518	367,797	165,613	7,119
Emeco Cas.	50,277	5,032	10.0	.....	35,384	4,233	14,893	799	46,018
Employers Liab.	9,013,534	4,368,055	48.4	-3,267	6,885,263	3,547,017	1,996,623	775,020	131,648
Employers Re.	4,619,214	1,529,170	33.1	+184,876	4,042,043	1,366,554	544,257	145,620	32,914
Eureka Cas.	219,293	109,191	49.7	+38,550	156,228	74,724	61,811	32,772	1,254
Europ. Gen. Re.	3,291,233	1,536,611	46.6	-1,812,922	3,115,324	1,504,660	169,866	31,935	16
Excess, N. Y.	706,844	339,260	47.9	+258,241	629,732	317,550	77,116	21,710	488,603
Fidelity & Cas.	6,822,965	3,106,423	45.5	-889,552	5,204,659	2,401,241	1,523,581	653,053	32,129
Firem's Fnd In.	1,923,836	785,828	40.8	-160,194	1,493,960	593,346	401,840	180,432	12,050
First Reins.	208,907	69,376	33.2	-59,252	153,039	47,018	55,868	22,358	268,159



## INSURORS INDEMNITY AND INSURANCE COMPANY

TULSA, OKLAHOMA

Shelby H. Green, Executive Vice President



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	Total	Net	Paid	Loss	Inc. or	Liability	Property	Damage	Collision	Total	Net	Paid	Loss	Inc. or	Total	Net	Paid	Loss	Inc. or	Total	Net	Paid	Loss	Inc. or
	Prems.	Prems.	Losses	Ratio	Dec. in	Prems.	Prems.	Prems.	Prems.	Prems.	Prems.	Losses	Ratio	Dec. in	Prems.	Prems.	Losses	Ratio	Dec. in	Prems.	Prems.	Losses	Ratio	Dec. in
General Acci. . .	10,783,656	4,167,986	38.6	-334,301	8,358,654	3,136,997	2,207,987	949,427	217,015	81,562	11,717,957	4,383,900	37.4	-721,252	12,439,209	4,838,190	39.8	-334,301	12,439,209	4,838,190	39.8	-334,301	12,439,209	4,838,190
Gen. Cas. Wash. .	2,319,590	838,879	36.1	+32,037	1,728,132	602,444	589,600	234,580	426	170	2,287,555	750,453	32.8	+32,037	1,952,719	919,817	47.1	+32,037	1,952,719	919,817	47.1	+32,037	1,952,719	919,817
General Reins. .	1,941,135	488,465	25.1	-144,660	1,881,368	486,518	55,589	1,947	4,178	.....	2,085,795	831,987	39.8	-144,660	2,346,299	672,966	28.6	-144,660	2,346,299	672,966	28.6	-144,660	2,346,299	672,966
Genl. T. Cas., N. Y.	736,136	91,857	12.4	+713,317	655,368	78,242	80,768	13,615	.....	22,819	736,136	91,857	12.4	+713,317	655,368	78,242	11.9	+713,317	655,368	78,242	11.9	+713,317	655,368	78,242
Glens Falls Ind. .	2,463,329	917,031	37.2	-125,917	1,888,143	673,902	534,944	219,301	40,252	23,828	2,589,256	1,138,556	43.9	-125,917	2,817,149	1,224,042	43.4	-125,917	2,817,149	1,224,042	43.4	-125,917	2,817,149	1,224,042
Globe Indem. . .	6,616,116	2,848,077	43.0	-259,659	6,128,789	2,201,647	1,431,168	612,374	56,159	34,056	6,876,775	2,538,904	41.2	-259,659	7,221,936	2,849,135	39.4	-259,659	7,221,936	2,849,135	39.4	-259,659	7,221,936	2,849,135
Gr. Am. Indem. .	3,895,329	1,877,002	48.1	-174,474	2,947,615	1,464,917	908,406	385,673	39,368	26,412	4,069,863	1,756,497	43.1	-174,474	4,190,448	2,419,883	57.7	-174,474	4,190,448	2,419,883	57.7	-174,474	4,190,448	2,419,883
Gr. Lakes Cas. .	441,895	320,133	72.4	-227,912	292,376	178,700	121,416	107,775	28,103	33,658	669,807	315,585	47.1	-227,912	684,600	301,199	43.9	-227,912	684,600	301,199	43.9	-227,912	684,600	301,199
Hartford Acci. .	12,885,517	5,250,096	40.7	-566,011	9,771,511	3,965,885	2,830,517	1,180,161	283,489	124,050	13,451,528	5,876,193	42.1	-566,011	13,589,743	5,900,745	43.4	-566,011	13,589,743	5,900,745	43.4	-566,011	13,589,743	5,900,745
Home Indem. . .	2,520,493	1,065,377	42.2	+213,643	1,944,840	815,088	569,117	248,887	6,536	1,402	2,306,850	974,220	42.2	+213,643	2,119,470	1,015,725	47.9	+213,643	2,119,470	1,015,725	47.9	+213,643	2,119,470	1,015,725
Insur. Ind., Ok.	109,633	35,921	32.7	+13,019	79,325	21,654	29,657	13,803	651	464	96,614	28,150	29.1	+13,019	113,583	128	0.1	+13,019	113,583	128	0.1	+13,019	113,583	128
Key. Auto. Cl. .	1,701,015	729,326	42.8	-165,710	1,174,332	492,464	386,622	188,325	140,061	48,536	1,866,725	775,195	41.5	-165,710	1,904,931	704,681	36.9	-165,710	1,904,931	704,681	36.9	-165,710	1,904,931	704,681
London & L. Ind.	1,478,286	840,777	56.8	-204,946	1,140,080	692,854	321,677	142,903	16,529	5,020	1,683,231	935,331	55.5	-204,946	1,968,471	1,053,324	53.5	-204,946	1,968,471	1,053,324	53.5	-204,946	1,968,471	1,053,324
London Guar. . .	2,092,731	1,002,514	47.9	-224,065	1,595,844	787,626	479,626	207,020	18,964	8,168	2,316,796	1,145,767	49.4	-224,065	2,689,560	1,209,769	44.9	-224,065	2,689,560	1,209,769	44.9	-224,065	2,689,560	1,209,769
Maine B. & Cas.	148,407	75,260	50.7	-3,321	93,119	61,139	50,215	22,479	6,073	1,512	151,729	80,855	40.1	-3,321	134,192	62,532	39.0	-3,321	134,192	62,532	39.0	-3,321	134,192	62,532
Mfrs. Cas., Pa.	2,356,025	1,105,464	46.9	-170,862	1,749,936	805,666	521,541	267,006	84,548	32,792	2,526,887	961,339	38.0	-170,862	2,699,074	720,274	27.0	-170,862	2,699,074	720,274	27.0	-170,862	2,699,074	720,274
Maryland Cas. .	7,104,199	3,364,782	47.3	-914,263	5,441,643	2,635,663	1,605,933	698,285	56,623	30,834	6,018,462	4,170,613	52.0	-914,263	6,834,128	4,234,444	49.0	-914,263	6,834,128	4,234,444	49.0	-914,263	6,834,128	4,234,444
Mass. Bonding. .	5,106,111	2,620,204	51.3	-245,148	2,942,539	1,153,112	1,139,628	459,739	23,944	7,353	5,351,259	2,844,969	53.1	-245,148	5,596,407	2,914,163	51.6	-245,148	5,596,407	2,914,163	51.6	-245,148	5,596,407	2,914,163
Merch. Indem. . .	639,357	226,588	35.4	-121,298	639,357	226,588	.....	.....	.....	.....	760,655	246,236	32.3	-121,298	709,606	206,438	29.0	-121,298	709,606	206,438	29.0	-121,298	709,606	206,438
Metropol. Cas. .	3,563,927	1,326,394	37.2	+245,617	2,966,209	1,072,553	575,003	240,785	23,715	13,056	3,818,310	1,379,601	41.5	+245,617	2,995,326	1,325,496	44.2	+245,617	2,995,326	1,325,496	44.2	+245,617	2,995,326	1,325,496
National Cas. . .	465,418	165,044	35.4	+8,220	351,854	117,690	111,389	46,396	2,175	958	457,196	134,458	29.4	+8,220	415,936	144,370	34.7	+8,220	415,936	144,370	34.7	+8,220	415,936	144,370
New Amster. . .	4,048,654	1,730,891	42.7	-135,807	3,094,630	1,317,882	917,606	396,307	36,418	16,702	4,184,461	1,956,793	46.9	-135,807	4,509,192	2,168,469	48.0	-135,807	4,509,192	2,168,469	48.0	-135,807	4,509,192	2,168,469
New Cent. Cas.	183,502	68,044	37.0	+17,127	131,320	46,971	46,817	19,466	5,855	2,607	166,375	66,611	40.0	+17,127	134,974	53,762	39.8	+17,127	134,974	53,762	39.8	+17,127	134,974	53,762
N. J. Mfrs. Cas.	521,158	302,232	57.9	-13,483	521,158	302,232	.....	.....	.....	.....	534,641	259,072	48.4	-13,483	555,195	324,277	58.4	-13,483	555,195	324,277	58.4	-13,483	555,195	324,277
N. Y. Cas. . . .	853,111	382,884	44.8	-60,395	643,303	289,935	202,617	87,809	7,191	5,482	913,506	420,597	46.0	-60,395	912,572	399,552	43.7	-60,395	912,572	399,552	43.7	-60,395	912,572	399,552
Northw. N. Cas.	793,032	329,181	41.6	+12,447	533,946	235,361	205,077	75,725	26,111	10,997	780,555	384,842	49.3	+12,447	832,066	323,844	38.9	+12,447	832,066	323,844	38.9	+12,447	832,066	323,844
Norwich Union.	125,827	52,453	41.6	-2,052	92,428	37,686	28,960	11,663	4,439	3,104	127,880	120,873	94.5	-2,052	118,741	204,275	172.0	-2,052	118,741	204,275	172.0	-2,052	118,741	204,275
Occidntl. Indem.	525,827	165,271	31.4	-9,510	493,231	154,625	32,596	10,646	.....	.....	535,337	229,125	42.8	-9,510	558,365	226,810	34.4	-9,510	558,365	226,810	34.4	-9,510	558,365	226,810
Ocean Acci. . .	1,917,470	969,736	50.5	-914,383	1,458,627	748,395	442,025	213,458	16,818	7,883	2,831,853	1,117,888	39.4	-914,383	3,147,266	1,437,935	45.6	-914,383	3,147,266	1,437,935	45.6	-914,383	3,147,266	1,437,935
Ohio F. Indem.	716,312	293,570	40.9	-7,538	511,619	205,399	204,693	38,171	.....	.....	723,850	249,048	34.4	-7,538	692,109	263,103	38.0	-7,538	692,109	263,103	38.0	-7,538	692,109	263,103
Peerless Cas. . .	212,383	72,031	33.7	+65,215	205,551	24,820	6,559	2,205	273	6	147,185	34,083	23.1	+65,215	124,942	26,518	21.2	+65,215	124,942	26,518	21.2	+65,215	124,942	26,518
Penna. Cas. . .	2,276,959	850,469	37.3	+970,204	1,598,463	576,944	670,705	268,436	7,791	5,089	3,066,755	362,127	27.7	+970,204	3,709,648	170,461	24.0	+970,204	3,709,648	170,461	24.0	+970,204	3,709,648	170,461
Ph. Mfr. A. Cas.	1,212,991	449,210	37.0	-37,581	787,584	267,607	294,000	133,883	131,407	47,720	1,250,677	415,796	33.2	-37,581	1,321,781	499,882	37.8	-37,581	1,321,781	499,882	37.8	-37,581	1,321,781	499,882
Phoenix Indem.	1,346,456	535,412	39.7	-19,123	1,020,763	411,974	318,812	118,079	8,497	5,559	1,357,179	625,117	45.7	-19,123	1,476,302	552,063	37.4	-19,123	1,476,302	552,063	37.4	-19,123	1,476,302	552,063
Preferred Acci. .	3,423,495	1,372,537	40.0	+510,359	2,953,918	1,056,550	745,564	263,081	84,012	22,776	3,934,136	1,369,924	47.0	+510,359	3,190,035	1,231,580	38.6	+510,359	3,190,035	1,231,580	38.6	+510,359	3,190,035	1,231,580
Protec. Indem. .	356,425	134,615	37.7	+77,279	277,426	107,471	75,793	26,273	3,206	871	479,514	141,847	50.8	+77,279	274,588	88,909	32.3	+77,279	274,588	88,909	32.3	+77,279	274,588	88,909
Royal Indem. . .	5,270,590	2,322,689	42.3	-215,924	4,049,241	1,739,052	1,165,791	473,618	55,558	20,919	5,486,514	2,537,774	46.2	-215,924	5,969,817	2,438,158	40.8	-215,924	5,969,817	2,438,158	40.8	-215,924	5,969,817	2,438,158
St. P. Merc. Ind.	2,692,033	1,244,841	46.2	+13,576	2,016,808	656,365	575,404	235,301	97,527	32,783	2,678,457	909,109	33.9	+13,576	2,801,846	714,228	32.2	+13,576	2,801,846	714,228	32.2	+13,576	2,801,846	714,228
Sel. Risks Ind.	671,979	224,586	33.2	+9,955	414,606	162,771	157,373	61,815	.....	.....	582,024	192,351	34.2	+9,955	620,448	223,471	35.9	+9,955	620,448	223,471	35.9	+9,955	620,448	223,471
Standard Acci. .	4,440,797	1,719,349	38.7	+367,985	3,508,968	1,333,464	876,935	363,486	54,894	22,399	4,072,812	1,705,245	41.8	+367,985	5,084,224	2,063,388	40.5	+367,985	5,084,224	2,063,388	40.5	+367,985	5,084,224	2,063,388
Stand. Sur. & C.	1,484,085	661,963	44.6	+357,971	1,131,365</																			

# Insurance Saves Time, Money

**Policyholder Tells Story of Vacation Rescued and Inconvenience Removed Through Auto P. L.**

Several years ago, while on my way to Florida with my mother, I was driving through southern Georgia outside of Ashburne, on a narrow road which did not have a turn or curve in it for about five miles. On this road just outside of town, an old open Ford with a young boy at the wheel, passed me at high speed. I had been going between 40 and 50. About a quarter of a mile ahead he slowed down on the right hand side of the road, finally coming to a complete stop. Thinking that he would park there, I did not slow up my speed and just as I was approaching, he started to turn around. I could not swerve or turn, because on each side of the road were deep ditches with the result that I smashed into this Ford. The car tipped two or three times and the front of my car was badly damaged. My mother who had been sleeping in the car, was knocked unconscious by the force of the collision and lost several teeth. Being upset over my mother, I did not think about the other car and the lad who was driving the old Ford apparently ran back to town. As I was with my mother on the side of the road, what seemed to be a caravan of cars came up from the town.

A tall man, about six feet eight inches, asked me if I was the driver of the car that collided with the Ford. Answering that I was, he told me that I was under arrest for reckless driving. I asked that I be able to take my mother to a doctor for medical attention and after leaving my mother, I was taken to the sheriff's office where I signed some kind of papers. I was then given notice that



CHARLES H. ELDREDGE

boy's fault and that I was entirely blameless.

After hearing this, I found the sheriff and told him that these three men, who were the only witnesses to the accident, had said that the boy was in the wrong. I asked him how soon I could have this straightened out and he said that I would have to stand trial. Knowing that it was a small town, I asked him if the trial could start right away, but

This is the true story of an incident that befell Charles H. Eldredge of Chicago and it confirms to a remarkable degree the subsidiary values of the automobile liability contract that insurance agents seek to impress upon their prospects. Mr. Eldredge, who is connected with the stock and grain brokerage house of R. H. Smart & Co., Chicago, in this story relates the great service that was performed for him by an insurance company beyond the mere indemnification for loss. In this situation Mr. Eldredge was far less interested in getting recovery for any damages that he might have to pay than he was in getting his car released from the authorities in a small Georgia town and getting proper attention for his injured mother and in going ahead with his Florida vacation plans.

It happened that Mr. Eldredge some weeks ago told this story to a group, including a representative of The National Underwriter, that was discussing automobile accidents. Mr. Eldredge at that time did not know that there was anyone in the group that was interested in the insurance business. He had no purpose in telling the story other than to relate an experience that he thought would be interesting. It struck the representative of The National Underwriter as being a particularly valuable illustration of what the insurance policy can do beyond providing indemnity for loss and Mr. Eldredge was persuaded to permit the story to be told here.

there was a judgment against the car and that I would not be able to take the car out of town.

After taking my mother to the hotel, I went over to the garage where my car was hauled. I was told that the repair bill would be about \$250. It then struck me that this small town in southern Georgia, where I think the civil war is being fought all over again, would either try to get money out of me or send me to jail for about five years.

## Made Friend of Storekeeper

As I was walking along the street a little later, a storekeeper stopped me and asked if I was the man involved in the accident on the road just outside of town. He then proceeded to tell me that Mr. So and So's boy who was the driver of the other car, had been in trouble before, having been arrested twice for drunken driving. He also asked me if I had obtained the names of the three mule drivers who were with their mules near the scene of the accident and who had witnessed it. Replying that I didn't, he informed me that they were over at the feed store. Going over to the feed store, I got their names and addresses and asked them if they would act as witnesses. They said they would and said that it was the

he told me that court would not be held for three weeks. I argued with him that the Ford wasn't worth \$10 and that it was the boy's fault, but he said that I would have to wait around for trial. So there I was stuck for three weeks.

## Insurance to the Rescue

Then for the first time, I realized that I had insurance. I immediately wired my insurance agent in Chicago and within half an hour, I received a reply to the effect that I should hire the best lawyer in town and have him put up any bail or bond needed and get the judgment off the car and that the insurance company would stand the expenses incurred.

I went back to the storekeeper with whom I had become friendly and asked him who was the best lawyer in town. He told me of a lawyer who was formerly judge of the county. I went to him, showed him the wire from the insurance company and within a few hours, he informed me that I was free to go, that the judgment was lifted and that I could have my car. As it was, however, I had to wait in the town for two days while my car was being repaired. I might add that during this time, I did not see either the boy who

(CONTINUED ON PAGE 27)



TEN YEARS AGO the Occupational Rating Plan for private passenger automobiles was conceived and placed in operation by the General Accident. From the day of its inception, the plan was constantly subjected to actuarial tests, and improvements were made as dictated by experience. Today, having long since been fully proved by its originators, the occupational method of rating has been generally adopted in the casualty insurance business.

To provide at all times the best in insurance for the changing needs of the day is our policy.

# GENERAL ACCIDENT

FIRE AND LIFE

ASSURANCE CORPORATION, LTD.

General Bldgs. 4th & Walnut Sts., Philadelphia, Pa.

# Stock Fire Premiums Reach Highest Mark in History in 1939

	1939					1938			
	Net	Paid	Loss	Inc.		Net	Paid	Loss	Inc.
	Premis.	Losses	Ratio	or Dec.		Premis.	Losses	Ratio	or Dec.
	\$	\$	%	in Premis.	\$	\$	%	in Premis.	
Aetna Fire ....	6,233,229	2,909,423	46.6	+ 824,971	5,408,258	3,059,461	56.5	-971,008	
Agricultural ...	1,416,277	535,265	37.7	+ 317,641	1,098,636	482,745	42.1	+ 310,764	
Albany .....	78,498	43,509	55.4	- 8,795	87,293	59,100	67.7	- 37,477	
Allermannia ...	159,127	46,714	29.3	+ 52,649	106,478	54,844	51.5	+ 5,988	
Alliance, Eng...	334,539	117,716	35.1	+ 77,403	257,136	155,066	60.3	-141,896	
Alliance, Pa...	299,913	110,905	36.9	+ 46,756	253,157	115,212	45.5	-19,271	
Allied, N. Y...	74,538	13,488	18.0	+ 5,778	68,760	10,594	15.4	+ 4,039	
Allstate F., Ill.	798,466	250,273	31.3	+ 244,419	554,047	171,077	30.8	+102,070	
Amer. Alliance.	153,318	66,110	43.1	+ 20,139	133,179	68,100	51.1	- 2,414	
Amer. & For...	66,643	31,899	47.8	-19,277	85,920	45,053	52.4	-15,840	
Amer. Au. Fire.	3,329,168	1,095,322	32.9	+ 464,136	2,865,032	1,027,406	35.8	+ 352,584	
Amer. Central...	360,982	152,631	42.2	+ 83,797	297,185	141,790	47.7	+ 16,171	
Amer. Eagle...	296,185	112,263	37.9	+ 62,105	234,080	87,844	37.5	+ 11,840	
Amer. Equit...	469,387	170,173	41.5	+ 80,122	329,265	171,117	51.9	-74,599	

(CONTINUED ON THIRD COVER)

The stock fire companies in 1939 more than made up the decline in automobile premiums that they suffered in 1938 and reached their highest peak for all time. The previous peak was in 1937. The 1939 writings exceed those of 1937 by better than \$3,000,000.

The stock fire premiums got into the big time class in 1935 when the finance

companies commenced demanding that the borrower carry a deductible form of collision insurance. Theretofore the finance company had merely required that the borrower insure against fire and theft. The premiums in 1939 are about 2½ times what they were in 1934.

Also with the great increase in premiums came corresponding headaches.

The collision losses kept pace with the increase in premiums and many of the companies found that they were merely trading dollars in this department and that the trade was frequently to their disadvantage. The possibilities for adding substantially to premium volume were attractive, however, to many companies despite the loss ratio, because of

the decline in other writings that brought about a severe expense ratio problem in the face of an eminently satisfactory loss ratio. There was an opportunity to soften the expense ratio and many of the companies also felt that by writing automobile finance lines for agents there was an opportunity to get an increase in fire business.

## TEN STOCK FIRE AUTO LEADERS

	1939		1938		Inc. or Dec. in Premiums	% Inc. or Dec.
	Net Premiums	Paid Losses	Net Premiums	Paid Losses		
1. General Exch. ....	\$26,540,914	\$13,720,423	\$20,362,440	\$10,178,474	+30.3	+30.3
2. Home, N. Y. ....	21,696,083	9,993,550	16,234,775	+5,461,308	+33.6	+33.6
3. Hartford Fire ....	6,816,938	2,769,056	5,515,556	+1,301,382	+23.5	+23.5
4. Aetna Fire ....	6,233,229	2,909,423	5,408,258	+824,971	+15.2	+15.2
5. National, Hartford.	3,906,969	1,725,875	3,178,320	+728,649	+22.9	+22.9
6. Travelers Fire....	3,405,989	1,138,941	2,923,945	+482,044	+16.4	+16.4
7. Amer. Au. Fire ...	3,329,168	1,095,322	2,865,032	+464,136	+16.2	+16.2
8. Automobile ....	3,317,622	1,144,722	2,863,805	+453,817	+15.8	+15.8
9. Fire Assn. ....	3,203,536	1,311,143	1,960,984	+1,242,552	+63.3	+63.3
10. Franklin .....	3,089,713	1,429,533	2,243,666	+846,047	+37.7	+37.7

## THE ALLSTATE COURSE

**T**HE AUTOMOBILE INSURANCE FIELD, with more than two hundred carriers, may appear at first thought to be overcrowded.

On second thought, or rather upon analysis, the encouraging fact that only about one fourth of the nation's car owners are *casualty* insured leaves much for existing companies and agents to contemplate.

To our way of thinking, the uninsured field stands as a challenge to the sales ability of the casualty companies. Furthermore, we in the casualty field should assume an obligation to educate the uninsured and to evolve, in terms of liability protection, a realization of every motorist's responsibility to the public. The purpose of financial responsibility laws and their relation to casualty insurance point to this conclusion and also provide a foundation for its fulfillment.

A reversal of the present ratio of insured to uninsured car owners will come most logically through a steady advance of the concerted efforts of all casualty companies to develop one of the greatest potential markets ever known—the great masses of uninsured car owners.

The ALLSTATE Insurance Companies and their constantly growing field forces have subscribed to educational rather than competitive measures to gain policyholders. Ingrained in their advertising and sales promotional media and imbedded in their agency forces is the plea to INSURE—not to change companies.

ALLSTATE'S course from the beginning has been directed to, and its agency forces trained to concentrate upon, the uninsured. The meteor-like progress of the Companies within a decade speaks for the merits of this course.

## ALLSTATE INSURANCE COMPANY ALLSTATE FIRE INSURANCE CO.

CHICAGO

### Reduction in Interest

At about the same time that collision insurance was required by finance companies, General Motors Acceptance Corporation reduced the interest factor on the unpaid balance to 6 percent and that caused a general decline in the interest factor on the part of all finance companies. The finance people began to complain that they were being pinched and could make no profits from the regular finance charge. They had always shared in one way and another in the automobile premiums but this was regarded as rather small pickings when only fire and theft was written. However, with the advent of collision insurance generally, the finance companies' stake in the insurance premiums became of paramount interest to them and there was pressure upon the insurance companies to increase the commission with the result that the insurance companies were getting an ever smaller net percentage return.

### More Agents Interested

Another interesting development in the past few years has been the fact that hundreds of agents throughout the country have become interested in going after finance business. One agent after another has had his eyes on some finance account or another and has covered the market to see what terms he can get from various insurance companies. He promises to give an insurance company a good share of his fire business if the insurer will make some terms that will capture the finance account.

One of the great developments in the insurance business has been the formation by finance companies of their own insurance companies. The first such institutions in the field were General Exchange Insurance Corporation and West American of California. Then Commercial Investment Trust organized Service Fire and it is interesting that Service Fire in 1939 retained more than \$2,000,000 in premiums on its own account. The previous year its entire business had been reinsured.

### C. C. C. Has Calvert Fire

Commercial Credit Company of Baltimore bought Pennsylvania Indemnity Fire and changed the name to Calvert Fire early this year. Incidentally Calvert Fire reports motor vehicle premiums for 1939 of \$291,764 and losses \$112,739. These are not included in the following table.

Associates Investment Company of South Bend, Ind., one of the large independents, some years ago organized Motor Indemnity, a reciprocal, to handle its requirements. Later it or-

(CONTINUED ON LAST PAGE)

# Full Coverage Group Forges Ahead

The companies in the full coverage stock group turned in a respectable gain in the aggregate in premium writings during 1939. The actual gain as compared with the 1938 premiums was \$3,831,736. The loss ratio on a written and paid basis was 39.2 as compared with 40.9 the previous year.

None of the companies in this group is a member of the National Bureau of Casualty & Surety Underwriters. These are the stock companies that write both the automobile third party and the property coverages under a single charter. None of them operates in New York state, which does not extend such writing power to any company operating there.

## Ohio Casualty in First Place

Ohio Casualty continues to have a firm grip on first place among the full coverage companies with premiums of \$4,910,479, a gain of \$304,465. Last year Ohio Casualty reinsured Pennsylvania Indemnity of Philadelphia. Pacific

## TEN FULL COVERAGE AUTO LEADERS

	1939		1938		Inc. or Dec. in Prems.		% Inc. or Dec.	
	Net Prems.	Paid Losses	Net Prems.	Paid Losses				
1. Ohio Cas. ....	\$4,910,479	\$1,664,234	\$4,606,014	\$1,791,361	+\$304,465		+6.6	
2. Pacific Indem. ....	3,238,978	1,749,115	3,295,467	1,791,361	-\$56,489		-1.7	
3. Trinity-Universal ....	2,981,145	1,184,744	2,860,766	1,309,996	+120,379		+4.2	
4. Coml. Stand., Tex. ....	2,485,024	1,095,598	2,129,943	1,309,996	+355,081		+16.6	
5. Amer. States ....	1,994,968	823,683	1,995,974	823,683	-\$1,006		-0.1	
6. Buckeye Un. Cas. O. ....	1,804,260	724,616	1,791,361	724,616	+12,899		+0.7	
7. Northw. Cas., Wash. ....	1,783,265	539,011	1,309,996	539,011	+473,269		+36.1	
8. Amer. Indem., Tex. ....	1,714,053	690,237	1,594,363	690,237	+119,690		+7.5	
9. United Pacific ....	1,594,393	556,245	1,332,447	556,245	+261,946		+19.6	
10. Employ. Cas., Tex. ....	1,405,031	602,759	1,254,637	602,759	+150,394		+11.9	

Indemnity remains in second place. It had a slight decrease in premiums. Trinity Universal of Texas made a gain of better than \$120,000 and stands third, while another Texas company, Commercial Standard, which has been making rapid strides in the past two or three years under the Morgan Duke management, stands in fourth place.

American States of Indianapolis just about hit its 1938 record on the head and remains in fifth position. Then comes Buckeye Union Casualty. Northwest Casualty of Seattle, which is affiliated with Northwestern Mutual Fire, made a big gain and advanced to seventh position. Then come American Indemnity, United Pacific and Employ-

ers Casualty of Texas. Of the 10 leaders, four are Texas companies, two Ohio, two are from the state of Washington, and one California.

Appearing in the full cover table for the first time are Mid-America Casualty, which is now owned by the T. W. Garrett general agency of Kansas City, and Houston Fire & Casualty, which has been making news in one way and another and is owned by the Wesson Oil & Snowdrift Co. of Texas. United Auto of Michigan which was purchased by the George Olmsted interests of Des Moines, last year was reinsured in Hawkeye Casualty of which Mr. Olmsted is president.

The biggest gain of the year was made by National Automobile of California which reported an increase of \$645,325, which was on top of the \$295,788 increase the previous year. In addition to Northwest Casualty, other big gainers were American General, Commercial Standard, and Wolverine of Michigan.

## Automobile Premiums and Losses of Full Coverage Stock Companies

	1939										1938										Inc. or Dec. in Prems.
	Total		Loss Ratio	Inc. or Dec. in	Fire, Theft*		Liability		Property Damage		Collision		Total		Loss Ratio	Inc. or Dec. in					
	Prems.	Losses	%	Prems.	Prems.	Losses	Prems.	Losses	Prems.	Losses	Prems.	Losses	Prems.	Losses	%	Prems.					
Am. Fire & Cas., Fla.	408,268	106,082	25.9	+46,989	50,947	13,066	191,534	42,963	74,585	23,435	90,522	26,543	361,279	94,099	26.0	+89,040					
Amer. General, Tex.	831,222	242,328	29.1	+251,504	178,476	48,173	358,609	99,687	111,945	35,216	182,192	59,252	579,708	205,369	35.4	+75,878					
Amer. Indem., Tex.	1,714,053	690,237	40.2	+119,690	221,897	74,439	916,801	359,626	318,697	145,671	256,748	110,501	1,594,363	646,165	40.5	+87,361					
Amer. States .....	1,994,968	823,683	41.2	-1,006	247,526	62,470	927,299	408,219	384,546	166,616	435,597	186,378	1,995,974	869,444	43.5	-59,540					
Anchor Cas., Minn.	1,071,786	473,859	44.1	+131,810	123,557	40,071	573,251	273,236	210,130	86,898	153,974	73,412	939,976	437,869	46.5	+19,097					
Buckeye Un. Cas. O.	1,804,260	724,616	40.1	+12,899	220,662	54,338	941,622	372,736	378,808	177,733	262,408	118,236	1,791,361	823,683	46.5	+40,292					
Coml. Stand., Tex.	2,485,024	1,095,598	44.0	+355,081	239,096	94,006	1,465,714	686,157	516,227	200,337	263,987	115,098	2,129,943	788,617	37.0	+240,909					
Economy Auto., Ill.	619,915	189,688	30.5	+62,085	81,333	18,162	255,494	73,230	161,818	31,847	120,768	66,448	557,830	196,975	35.3	+65,578					
Employers, Ala. ....	141,477	68,916	48.7	-\$25,318	10,487	2,253	95,875	52,037	26,699	10,579	8,416	4,047	166,795	71,796	43.0	-13,672					
Employ. Cas., Tex.	1,405,031	602,759	42.9	+150,394	133,131	46,823	814,965	342,155	266,167	120,976	173,501	77,261	1,254,637	618,058	49.2	-26,431					
Freepot Motor, Ill.	851,739	258,208	30.3	+41,332	105,489	17,347	440,319	127,270	171,322	60,287	134,609	55,304	810,407	262,110	32.3	+63,248					
General Cas., Wis.	1,129,305	476,190	42.2	-\$8,288	165,512	23,309	668,742	290,082	244,290	102,901	109,761	59,898	1,137,593	493,560	43.3	+87,029					
Gov't Employees ....	566,173	221,328	39.0	+165,117	89,317	21,926	332,279	78,937	31,044	166,601	89,421	401,656	143,480	35.7	+162,767						
Hawkeye Cas. ....	684,177	233,000	34.0	+103,213	85,290	29,190	341,462	107,824	158,112	41,108	580,964	249,103	1,791,361	823,683	46.5	+40,292					
Houssier Cas. ....	764,718	334,509	43.7	+5,001	103,169	25,489	337,731	165,713	151,117	63,872	172,701	79,735	758,117	322,044	42.3	-71,185					
Houston Fire & Cas.	41,485	11,723	28.2	+24,310	16,009	4,356	4,071	223	1,375	352	20,030	6,792	17,175	4,923	28.9	+1,168					
Illinois Cas. ....	423,774	150,483	35.5	+28,452	56,369	15,408	189,750	68,682	90,313	28,907	87,339	37,422	395,322	177,099	44.7	-18,168					
Ill. Natl. Cas. ....	776,819	339,105	44.9	+55,957	99,080	27,772	328,511	147,572	149,029	56,823	198,223	106,861	720,862	254,356	35.3	+97,400					
Imperial, D. C. ....	61,812	11,994	19.4	+28,283	19,331	2,729	.....	.....	2,049	123	40,431	9,287	33,529	19,700	58.7	-24,026					
Indiana ....	761,055	356,979	46.9	+57,291	152,180	42,918	263,336	119,598	117,297	67,597	228,242	126,866	703,764	347,574	49.3	+24,337					
Mercer Cas. ....	502,349	218,655	43.5	-\$29,450	55,876	15,239	274,790	123,451	107,231	50,952	64,452	29,013	531,799	256,769	48.2	-93,217					
Mid-Am. Cas., Ill.	47,169	10,270	21.7	.....	12,106	3,121	11,425	15	6,321	1,270	16,665	5,786	.....	.....	.....	-172,520					
Motor Veh. Cas., Ill.	820,482	372,746	45.4	+48,979	113,701	26,974	389,359	206,146	156,685	41,739	159,639	96,647	771,503	367,683	47.6	+295,788					
Natl. Auto., Calif.	1,167,939	398,102	34.0	+645,325	271,361	77,179	388,464	96,841	126,212	32,498	383,002	101,581	521,714	91,730	17.5	+93,299					
Northw. Cas., Wash.	1,783,265	539,011	30.2	+473,269	157,982	34,823	1,041,685	310,287	198,551	65,458	385,047	128,443	1,309,996	508,489	38.8	+93,299					
Ohio Cas. ....	4,910,479	1,664,234	33.8	+304,465	510,473	126,860	2,770,671	923,966	1,009,664	363,727	612,216	247,769	4,606,014	1,743,780	37.8	+49,153					
Oregon Auto. ....	298,973	99,707	33.3	-\$4,374	27,845	7,632	153,547	48,710	65,988	23,797	51,593	19,568	313,247	124,267	39.6	-15,543					
Pacific Auto., Calif.	724,328	346,611	47.8	-\$100,145	63,080	20,493	395,076	197,072	143,661	75,026	122,511	54,020	824,473	433,157	52.5	-47,684					
Pacific Employ. ....	1,116,631	389,026	34.8	+27,747	134,340	44,353	542,367	158,794	173,640	75,296	266,284	110,583	1,088,884	407,819	37.4	+24,500					
Pacific Indem. ....	3,238,978	1,749,115	54.0	-\$56,489	392,319	189,402	1,772,204	994,505	532,702	275,397	541,753	289,813	3,295,467	1,775,247	54.0	+499,559					
Prof. Auto., Mich.	708,244	254,915	35.9	-7,742	103,898	28,559	273,433	94,804	188,895	59,669	142,018	71,853	715,986	289,775	40.4	-19,115					
Sub. Auto., Ill. ....	406,153	123,839	30.4	+57,964	55,166	13,342	196,079	43,820	67,355	34,858	74,578	34,858	248,189	120,163	34.5	+42,171					
Tenn. Auto. ....	353,208	159,828	45.1	-\$7,012	28,270	11,183	214,619	104,217	92,068	37,436	18,251	6,792	370,220	145,258	39.2	+24,181					
Traders & Gen., Tex.	341,757	145,943	42.7	+4,464	49,130	19,947	183,044	74,578	61,598	24,584	47,985	25,624	337,293	164,397	48.7	+17,527					
Trinity-Universal ..	2,981,145	1,184,744	39.4	+120,379	544,229	184,141	1,317,454	555,078	484,916	183,728	634,546	261,797	2,860,766	1,409,663	49.2	+64,703					
Union, Ind. ....	775,402	287,191	37.0	+101,798	106,431	26,332	340,475	116,302	152,602	56,548	175,894	88,009	673,604	283,039	42.0	+30,845					
United Auto., Mich.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	-42,307					
Un. Emp. Cas., Tex.	148,964	80,849	54.2	+108,808	21,241	13,249	74,395	34,593	27,888	18,609	25,440	14,398	40,156	32,292	80.4	-115,765					
United Pacific ....	1,594,393	556,245	34.8	+261,946	161,042	50,847	831,091	278,992	325,394	107,614	276,506	118,792	1,332,447	487,879	36.6	+100,918					
Wolverine ....	1,260,349	473,521	37.5	+319,046	172,944	35,404	547,824	235,105	229,525	91,158	310,056	111,854	941,303	383,099	40.6	-398,296					
Total .....	41,713,393	16,374,760	39.2	+3,831,736	5,332,253	1,593,325	21,063,367	8,413,221	7,776,050	3,082,461	7,505,476	3,265,110	37,881,657	15,509,851	40.9	+1,399,951					

**Question**—Is there liability under a collision policy with a \$50 deductible following an accident that say runs \$200 and the other party is at fault. The assured named in the policy makes a settlement with the other party, gives them a full release and then makes claim

against the company carrying the collision. Bear in mind they only collected the \$50 which was the amount of the deductible from the other party.

**Answer**—It appears that an insured with a \$50 deductible collision damage has an accident with an apparent tort

feasor and the damage to the insured car for collision damage runs to \$200. Apparently, the insured under the collision damage policy gave a release for the consideration of \$50 to the insurance company carrying the property damage on the apparent tort feasor's

car. Now the question is whether or not the collision damage company is liable for the \$150 remaining after the deductible feature to their insured.

There is no liability because the insured under the collision policy failed to cooperate.

## SCOTTISH UNION AND NATIONAL

Insurance Company

HARTFORD, CONNECTICUT

Established 1824

Assets, \$8,224,750.55

Liabilities, \$3,460,365.34

Policyholders Surplus \$4,764,385.16

## AMERICAN UNION

Insurance Company of New York

Administrative Offices: HARTFORD, CONNECTICUT

J. H. Vreeland, President

Assets: \$3,623,852.89—Liabilities, \$483,452.34

Policy Holders Surplus, \$3,140,400.55

## CENTRAL UNION

Insurance Company

Administrative Offices: HARTFORD, CONNECTICUT

J. H. Vreeland, President

Assets: \$1,696,826.27—Liabilities, \$188,926.83

Policy Holders Surplus, \$1,507,899.44



- The Companies of this Group are entirely local agency companies, both in the letter and in spirit observing the principles of the American Agency System.
- A complete portfolio of lines is written: Fire, Windstorm, Earthquake, Automobile, Sprinkler Leakage, Rents, Use and Occupancy, Inland Marine, and Riot and Civil Commotion.



# NATIONAL UNION

**FIRE INSURANCE  
COMPANY  
PITTSBURGH  
PA.**

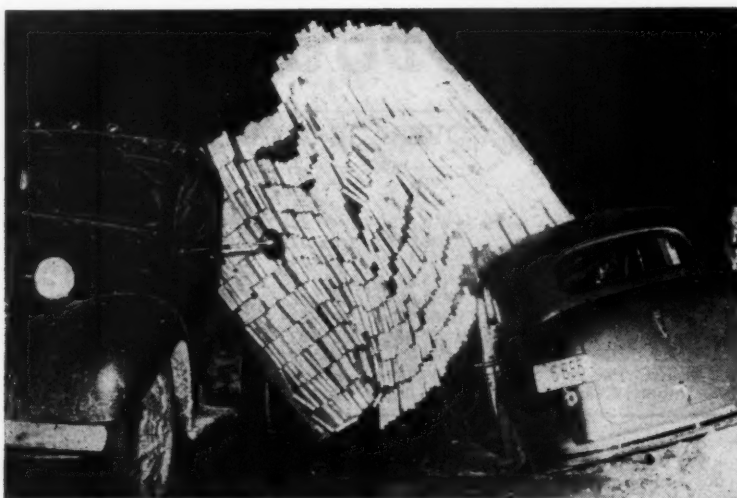


**AUTOMOBILE  
INSURANCE**



**WORLD  
WIDE  
FACILITIES**

**A  
GOOD AGENCY  
COMPANY**



A truck loaded with lumber skidded on an icy pavement near Salisbury, Md. The lumber slipped off and landed on the car at the right. Luckily the driver slid to the floor and thus escaped injury when the lumber crashed through the top of his car.—Acme Newspictures.

## Special Closers to Use in Auto Liability Sales Talk

One advantage of an organized sales talk is that it gives the agent some definite points to bring out rather than just saying "you ought to have it." In selling automobile liability agents can get the best results by calling attention to the automobile owner's problem in case he should have an accident; and then explain how he can solve it by buying insurance. To close, it is necessary to motivate the prospect into action by reminding him of his problem and the difficulties which an uninsured motorist faces. Here are a few closers to keep in mind when seeking to stir up the procrastinator to action:

Driving your automobile without liability insurance is a bigger risk to yours and your family's financial future than the wildest speculation in the stock market because the amount you may lose is practically unlimited.

To home owner! You own this property, don't you? You don't need automobile liability insurance after all. If you get into an accident and the other man gets a judgment against you, they will just come and take your house away from you, so why should you waste your money on liability insurance premiums?

You may lose your driver's license for a period of years.

Will you be able to furnish proof of financial responsibility if you are involved in an automobile accident?

Do you realize that you are subject to the laws of each state in which you drive and that you automatically appoint the secretary of state or some other state official your agent to accept services of process?

Even insignificant accidents may develop into a serious claim against you.

Insure today so in case you do have an accident you'll have the satisfaction that proper action will be taken by my company to protect your interest.

You may be forced to travel hundreds or even thousands of miles to defend an automobile liability suit in another state which would mean you would have to hire a strange lawyer and face an unfriendly court.

Do you realize that if you are involved in an automobile accident in one

of the many states having "long arm of the law" provisions you can be compelled to return to that state to defend a suit? Furthermore, if a judgment is secured against you, it can be enforced on your property in your home state?

Claim minded individuals are too apt to make exorbitant and unreasonable demands so you are caught between two fires: If you fight the claim you run into high court costs; if you pay it you must meet unjust demands.

## Fire Companies Don't Give Auto Breakdown

THE NATIONAL UNDERWRITER receives requests for a breakdown of the automobile experience of stock fire companies and of mutual fire companies as between fire, theft, comprehensive and collision. Such information is not available from the annual statement blank and is nowhere a matter of public record. The statement blank requires merely that the fire companies enter total automobile premiums in one place under the heading "Motor Vehicles" and enter their total "Motor Vehicles" losses.

The full coverage companies are required to give a breakdown of their automobile lines, including auto fire, theft, comprehensive and collision if those lines are written. Hence those are the only companies for which such a separation is possible, based on the public records. There has been some sentiment in favor of suggesting to the blanks committee of the National Association of Insurance Commissioners that a breakdown of automobile experience be required of fire companies.

### Meeting Price Competition

William Darnell of the Mount Hope Insurance Agency of Mt. Hope, W. Va., meets price competition in a rather unusual way. When any of his clients or prospects begin to inquire about indemnity which costs less than what he is offering, he hands them a printed card. It reads:

"An illustrious statesman said, 'I do not prize the word "cheap." It is not a word of hope; it is not a word of comfort, it is not a word of cheer; it is not a word of inspiration. It is a badge of poverty; it is a signal of distress. Cheap merchandise means cheap men and cheap men mean a cheap country.'"

## AUTOMOBILE INSURANCE

**AMERICAN SURETY** and New York Casualty Companies provide nationwide facilities for the insurance of automobiles. The needs of agents and brokers are given prompt and intelligent attention so that they, in turn, are assisted in giving their clients a superior calibre of service.

**AMERICAN SURETY COMPANY  
NEW YORK CASUALTY COMPANY**

Home Offices: New York

*Fidelity, Forgery and Surety Bonds  
and Casualty Insurance*

## Ratio of Suits to Earned Premium Presented

The following exhibit is presented in an analysis of the claim litigation experience of companies writing automobile liability insurance, that are licensed in Illinois, based upon their new annual statements. In column 1 is given the total amount of automobile liability premiums earned during the three year period, 1937-39 inclusive. In column 2 are given the number of suits pending as at Dec. 31, 1939, growing out of policies for which the premium was earned during the three year period, and in column 3 is given the ratio of number of suits per \$100,000 of earned premium.

	Col. 1	Col. 2	Col. 3
Accident & Cas.	860,324	127	14.9
Aetna Cas.	22,173,520	1,414	6.3
Aetna Life	4,140,831	155	3.7
Allstate	4,783,731	255	5.3
American Auto	25,803,070	1,454	5.6
American Cas.	4,295,320	463	10.7
American Employers	4,985,228	416	8.3
Amer. Fidelity & Cas.	7,998,039	322	4.0
American Motorists	9,840,724	920	9.3
American Mut. Liab.	8,456,695	900	10.6
American Re-ins.	2,263,057	50	2.2
American States	2,577,779	50	1.9
American Surety	2,500,028	171	6.8
Arex Indemnity	42,249	1	2.3
Associated Indem.	1,527,887	79	5.1
Atlantic	800,680	79	9.8
Auto Club of Mo.	1,052,237	41	3.8
Bankers Indemnity	3,414,974	391	11.4
Car & General	4,325,163	674	15.5
Central Surety	5,147,164	261	5.0
Century Indemnity	6,440,591	915	14.2
Chicago Ice Producers	68,427	7	10.2
Chicago Motor Club	3,257,626	325	9.9
Citizens Casualty	868,279	134	15.4
Columbia Casualty	1,451,809	166	11.4
Commercial Casualty	5,696,493	844	14.8
Commercial Standard	3,525,002	351	9.9
Connecticut Indem.	1,115,738	23	2.0
Continental Cas.	11,219,673	1,090	9.7
Cook County Farmers	34,898	...	...
Eagle Indemnity	3,089,940	330	10.6
Economy Auto	555,107	49	8.8
Employers Cas.	1,947,492	108	5.5
Employers Liability	18,990,381	1,463	7.7
Employers Mut. Cas.	2,374,576	91	3.8
Employers Mut. Liab.	2,990,296	192	6.4
Employers Re-ins.	11,820,643	559	4.7
Equity Mutual	449,575	32	7.1
European Genl. Re.	10,741,373	...	...

	Col. 1	Col. 2	Col. 3
Excess	1,563,921	...	...
Factory Mut. Liab.	6,348,459	679	10.6
Farmers Automobile	365,377	22	6.0
Fidelity & Cas.	14,750,588	1,353	9.1
Fireman's Fund Ind.	4,138,619	498	12.0
First Reinsurance	549,056	...	...
Freeport Motor Cas.	1,019,531	30	2.9
General Accident	23,064,725	2,407	10.4
General Cas., Seattle	4,078,238	155	3.8
General Indemnity	105,794	7	6.6
General Reinsur.	5,300,476	...	...
*Genl. Transportation	5,813	4	104.3
Glens Falls Indem.	5,102,591	388	7.6
Globe Indemnity	13,824,449	1,237	8.9
Great Amer. Ind.	8,093,742	735	9.0
Great Lakes Cas.	870,398	68	7.8
Hardware Mut. Cas.	12,873,332	529	4.1
Hartford Accident	25,743,440	2,731	10.6
Hawkeye Casualty	727,859	30	4.1
Home Indemnity	4,697,138	433	9.2
Hoosier Casualty	937,927	55	5.3
Illinois Agri. Mut.	1,222,886	116	9.4
Illinois Casualty	472,621	28	5.9
Illinois Natl. Cas.	743,874	25	3.3
Indemnity of N. Am.	8,829,648	927	10.4
Iowa Mut. Liab.	1,282,849	104	8.1
Liberty Mutual	24,829,347	3,091	12.4
London & Lanc. Ind.	3,546,678	435	12.2
London Guarantee	4,682,683	389	8.3
Lumb. Mut. Cas.	32,866,015	3,092	9.1
Madison County Mut.	102,460	17	16.5
Manhattan Mut. Auto.	2,896,944	372	12.8
Manufacturers' Cas.	4,808,617	427	8.8
Maryland Casualty	15,609,672	1,615	10.3
Massachusetts Bond	11,292,161	1,626	14.3
Merchants Indem.	1,815,790	189	10.4
Metropolitan Cas.	7,002,512	954	13.6
Michigan Mut. Liab.	2,584,058	107	4.1
Midwest Auto Under.	302,971	17	5.6
Motor Vehicle Cas.	1,050,381	81	7.7
National Casualty	851,538	68	7.9
Natl. Grange M. Liab.	2,801,771	234	8.3
New Amsterdam Cas.	8,377,606	1,095	13.0
New Century Cas.	295,027	33	11.1
Northw. Natl. Cas.	1,401,328	55	3.9
Norwich Union Indem.	229,514	11	4.7
Occidental Indem.	1,344,610	97	7.3
Ocean Accident	5,256,121	470	8.9
Ohio Casualty	6,796,287	171	2.5
Peerless Casualty	371,687	13	3.4
Pennsylvania Cas.	2,675,639	320	11.9
Phoenix Indem.	2,733,546	246	8.9
Prairie State Farmers	28,407	6	21.1
Preferred Accident	6,458,819	991	15.3
Protective Indem.	604,888	98	16.2
Royal Indemnity	10,796,436	1,119	10.3
St. Paul-Mercury Ind.	4,907,555	404	8.2
Security Mut. Cas.	1,186,026	42	3.5
Shelby Mut. Pl. Gl.	1,349,050	65	4.8
Standard Accident	8,924,840	768	8.6
Standard Mut. Cas.	180,011	17	9.4

	Col. 1	Col. 2	Col. 3
Standard Sur. & Cas.	2,852,434	256	8.9
State Farm Mut. A.	16,710,309	613	3.6
Suburban Auto	413,682	13	3.1
Sun Indemnity	2,905,504	313	10.7
Travelers Indem.	2,059,987	192	9.3
Travelers	42,042,610	4,558	10.8
Trinity Universal	3,226,409	234	7.2
Union Auto. Indem.	454,562	...	...
Union of Indiana	738,432	43	5.8
U. S. Casualty	3,557,397	378	10.6
U. S. Fld. and Guar.	17,188,577	982	5.7
U. S. Guarantee	4,681,555	312	6.6
Universal Indemnity	481,349	112	23.2
Utica Mutual	6,357,546	882	13.8
Utilities	1,097,056	76	6.9
Western Cas. & Sur.	3,591,989	301	8.3
Western St. Mut. Auto.	145,654	10	6.8
Wolverine	1,458,971	79	5.4
Yorkshire Indem.	666,069	51	8.1
Zurich	10,863,715	1,363	12.5

\*Covers only 1939.

## General Mills Case Gives Impetus to High Limits Sale

The automobile liability action brought in Worcester, Mass., against the General Mills which resulted in a \$175,000 jury verdict for one plaintiff and \$50,000 each for two others has aroused much interest among agents and brokers as to the advisability of suggesting limits higher than the usual top limits of \$100,000/300,000.

The trial judge in the Worcester case cut the largest verdict down to \$125,000 and the other two to \$25,000 each, but the case still constitutes a strong argument for a policy giving coverage of more than \$100,000 in a single individual. Another big case involving a judgment for \$150,000 on a single person was paid by a casualty company, indicating that these big policies are good for something beyond providing peace of mind for the assured.

These large verdicts are extremely effective in talking with insured as they frequently are the first intimation that a \$100,000/300,000 policy is not just as good for practical purposes as a policy with top limits of \$1,000,000 or for that matter \$100,000,000. The extra cost of the higher limits is not great. For \$100,000/300,000 the rate is 37 percent greater than the standard five-and-ten limits. For \$300,000/300,000 the rate is 41 percent greater than the standard limits.

## Higher Limits Are Needed to Meet Excessive Verdicts

There is nothing to prevent a jury from bringing in a verdict in a personal injury suit for a larger amount than the so-called standard \$5,000/\$10,000 automobile liability limits, unless it is a death case. Statistics show that for every person killed in an automobile accident there are 34 injured and there are three times as many people permanently injured as there are killed. Liability for permanently injuring a person is the most serious an automobile owner faces, because the victim may be carried into court or hobble in on crutches and his pitiful physical condition is more likely to affect the judgment of the jury than the actual facts of liability involved.

### Limits in Only 17 States

In some states damages because of death are limited but in NO state is there any limit on the amount which can be recovered for a personal injury. In only 17 states is there a limitation on the amount of damages because of death and in all the other states the amount is up to the discretion of the jury.

The states having death limits follow:

\$15,000—Connecticut, Iowa; \$12,500—Wisconsin; \$10,000—District of Columbia, Illinois, Indiana, Kansas, Maine, Massachusetts, Minnesota, Missouri, Oregon, South Dakota, Virginia, West Virginia; \$7,000 or \$10,000 with dependents—New Hampshire; \$5,000—Colorado.

## Ideas on COLLECTION LETTERS



WRITING good collection letters is important as every local agent knows. ¶ Realizing this too, Millers National arranged to have agents all over the country pool their ideas through a collection letter contest. ¶ This contest brought in over 1000 collection letters. These were carefully studied by a staff of competent judges. The letters having most merit in their opinion were selected, and are now published in the above 20 page, 6" x 9" booklet. ¶ The first pages contain a pertinent discussion by the judges, explaining the essentials of a good collection letter. Reviewing a copy you will understand why it is being acclaimed today by agents and letter writing authorities as an excellent reference booklet. ¶ You may have a copy by simply writing to Millers National Insurance Company, 175 W. Jackson Blvd., Chicago. There is no obligation because this is intended to be a contribution to the insurance business. If this booklet brings to you a fresh and valuable slant on this important subject we shall have our reward for having served as a clearing house. ¶ Because the supply is limited write at once—on your own agency letterhead please.

**MILLERS NATIONAL**  
Insurance Company  
**ILLINOIS FIRE**  
Insurance Company  
HOME OFFICE: CHICAGO

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## NATIONWIDE CLAIM SERVICE

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Walter L. Hays, President

Home Office



A Stock Company

Orlando, Fla.

# Mutual Automobile Experience For 1939 Shows \$7,000,000 Gain

The mutual companies of all varieties had automobile premiums in 1939 of \$127,886,082, a gain of better than \$7,000,000. Although there is a liberal sprinkling of plus signs, especially among those companies with a good proportion of comprehensive and collision, the results indicate that many of the casualty mutuals had difficulty in maintaining volume against the 1939 rate reductions.

State Farm Mutual Automobile of Bloomington, Ill., made another sensational gain last year that was most conspicuous and that amazing company is crowding Lumbermen's Mutual Casualty of Chicago. The contest between the Mecherle group of Bloomington and the

## Ten Mutual Automobile Leaders

	1939		1938	Inc. or Dec. in	% Change
	Net Premiums	Paid Losses			
1. Lumb. Mut. Cas., Ill.	\$16,320,524	\$5,890,141	\$16,277,864	+\$42,660	+0.3
2. State Farm Mut., Ill.	15,225,430	6,464,233	13,037,655	+2,187,775	+16.8
3. Liberty Mutual	12,235,569	5,140,250	11,591,345	+644,224	+5.6
4. Hdwr. Mut. Cas.	7,167,481	2,764,474	7,220,887	-53,406	-0.7
5. Farm Bur. Mut., O.	5,395,642	2,478,794	5,999,814	-604,172	-10.0
6. State Auto., O.	4,135,201	1,607,146	4,112,675	+22,526	+0.5
7. Am. Mut. Liab.	4,027,075	1,578,493	4,074,987	-47,912	-1.2
8. Utica Mutual	3,281,931	1,207,252	3,312,353	-30,422	-0.9
9. Merch. Mut. Cas.	3,122,528	1,185,372	2,796,864	+325,664	+11.6
10. Fact. Mut. Liab.	2,943,367	941,835	3,053,177	-109,810	-3.6

Kemper organization of Chicago for supremacy in the auto field is exciting.

Except for Merchants Mutual Casualty and Factory Mutual Liability which shifted rankings last year, with Merchants gaining in premiums and Factory losing, there were no changes in the grading of the top mutual ten.

The loss ratio of the mutuals was not significantly different from the previous year. It was somewhat lower, probably due to the increased volume in the auto property coverages.

Of the leading 10 companies two are domiciled in Illinois, two in Massachusetts, two in New York, two in Ohio, one in Rhode Island and one in Wisconsin.

## Mutual Auto Premiums and Losses in 1939

	1939				1938				1937
	Total	Net	Paid	Loss Ratio	Total	Net	Paid	Loss Ratio	Total
Abington Mut. ....	28,075	12,821	45.6	+2.423	22,229	8,929	32,999	10,519	19,382
Ace Mut., Ill. ....	101,052	44,284	43.8	+11.254	1,106	264	19,438	9,061	130,302
Alliance Co-op., Kan.	2,012	474	23.5	+1.442	12,828	4,093	47	852	44,422
Alliance Mut. Cas.	112,866	29,911	26.5	+45.594	307,730	46,239	21,341	5,025	381,831
Allied Amer. Mut.	540,486	121,850	22.5	-61.783	119,833	43,278	145,754	47,847	501,609
Allied Mut. Au., Ia.	695,439	220,642	31.7	+92.170	26,219	15,695	6,041	2,855	56,639
Allied Mut., Mo.	26,213	12,491	47.6	+13.856	425,406	131,574	28,598	6,929	405,604
Amal. Mut., N.Y.	425,406	131,574	30.9	+38.678	80,512	18,766	13,612	5,645	96,549
Am. Farm. Mut., Ia.	135,004	33,437	24.7	+18.520	24,608	3,389	51,742	26,886	141,968
Am. Farm. Mut., Minn.	206,704	84,648	40.9	+29.048	24,902	4,123	39,791	7,357	1,433
Amer. Mut., Ia.	64,693	11,480	17.7	+64.650	93	838	50,005	25,738	3,910,186
Am. Mut. L., Mass.	4,027,075	1,578,493	39.1	-47.912	838	532	210	3,218	4,781
Atlas Mut. Cas., O.	1,714	3,118	21.4	+11.297	4,039	8,929	1,546	419	1,563
Assoc. Merch. Mut.	149,786	42,324	28.2	+55.322	34,303	7,606	68,246	28,328	65,306
Atlantic Mut., Ga.	39,210	6,003	15.3	+33.068	39,210	6,003	6,142	73	1,111
Atlantic Mut., N.Y.	160,302	29,621	18.1	+50.279	87,904	20,347	58,503	8,892	110,023
Austin Mut. ....	12,431	5,202	41.8	+2.886	684,645	70,252	1,230,315	438,518	3,543
Auto Mut. R. L., Ill.	684,645	70,252	10.2	+62.555	300,432	87,252	543,132	214,355	622,090
Auto Owners, Mich.	2,631,587	1,023,011	38.8	+121.126	2,334	624	32,137	6,262	2,510,461
Badger St. Cas., Wis.	59,251	28,205	47.6	-8	41,475	9,165	112,413	42,019	59,330
Beacon Mut. Ins., O.	263,302	97,522	37.1	+51.121	19,819	54,245	37,474	22,840	212,241
Berkshire Mut. Fire	149,819	54,245	36.2	+28.938	165,600	18,995	11,4	796	120,881
Butchers Mut. Cas.	165,600	18,995	11.4	+98.370	112,827	29,247	33,018	4,775	67,330
Cambridge Mut. ....	112,827	29,247	25.9	+1.982	112,827	29,247	796	88	110,845
Capital, Neb.	71,153	28,955	40.6	-8.427	4,973	3,184	79,580	22,631	79,580
Carpenters Mut., Pa.	4,973	3,184	63.3	+7.78	4,973	3,184	4,195	3,221	4,195
Cas. Mut., Ill.	63,161	63,161	100	.....	84,341	21,589	153,104	71,694	1,430
Celina Mut. Cas., O.	707,522	290,557	41.0	+9.205	451,725	85,021	7,429	27,149	698,317
Cent. Mfrs. Mut., O.	926,279	309,964	33.4	+173.099	51,725	85,021	7,429	27,149	753,180
Cent. Mut. Cas., Mo.	208,446	100,931	48.4	-12.740	45,146	19,604	53,984	18,182	221,186
Cent. States Mut., Ia.	93,945	29,904	31.8	+7.253	19,576	5,475	30,087	9,791	86,692
Check. M. Au., Mich.	130,013	45,357	34.8	-33	7,790	834	61,949	6,237	130,046
Cheese Mak. M., Wis.	4,864	6,333	130.2	-1.055	3,017	4,098	1,847	2,235	8,919
Chemical M., N.Y.	5,230	2,124	40.6	+9.16	3,106	627	2,124	1,497	4,314
Chi. Ice Prod., Ill.	40,244	13,876	34.4	-1.467	.....	25,774	9,475	5,143	41,711
Citizens Fund, Minn.	54,332	33,038	60.8	+15.065	.....	.....	.....	.....	39,267
Citizens Mut., Mass.	40,042	11,341	28.3	+2.041	.....	.....	.....	.....	38,001
Citizens M. A., Mich.	1,105,764	451,767	40.9	+37.227	163,009	50,165	410,118	162,858	1,065,537
City Mut. Fire, Pa.	1,001	531	53.1	+6.350	1,001	531	20,134	155,096	1,065,537
Community Mut., O.	58,162	17,706	30.4	.....	5,091	1,783	14,004	5,599	5,349
Coml. Mut., O.	165,418	67,401	40.7	+89.640	.....	.....	.....	.....	75,778
Contl. Au. Mut., O.	.....	.....	.....	.....	.....	.....	.....	.....	29,882
Cook Co. Farm., Ill.	42,424	8,459	19.9	+1.460	5,126	470	16,444	1,528	40,964
Cooperative Cas., Mo.	38,362	11,814	30.7	.....	3,824	390	20,050	3,125	4,133
Cooperative M., Wis.	125,261	40,926	32.6	+44.198	11,189	1,500	65,255	26,275	81,063
Detroit Mut. Auto.	469	469	100	.....	469	469	36,103	8,485	28,986
Donegal & Con. oy., Pa.	32,093	17,957	56.0	+23.107	21,603	3,260	.....	.....	10,070
Dorchester Mut., Ill.	13,427	3,467	25.0	+1.357	12,427	3,467	.....	.....	10,070
Druggist Mut., Ia.	4,772	2,045	42.8	+3.87	2,641	453	.....	.....	2,130
Eastern Mut., Mass.	257,259	152,269	59.5	+36.571	.....	.....	.....	.....	1,591
East. M. C., Md.	.....	.....	.....	.....	.....	.....	.....	.....	220,688
Egyptian Mut., Ill.	11,031	6,665	60.4	+2.423	5,499	2,286	.....	.....	317,376
Elec. Mut. Liab.	81,618	45,861	56.1	+33.616	.....	.....	.....	.....	8,608
Empire Mut., Ill.	140,449	59,171	42.1	+32.035	9,434	1,373	88,104	35,097	48,002
Empire M. C., N.Y.	405,320	155,184	38.2	-54.904	400,321	153,773	4,999	1,411	460,224
Empl. Mut. Cas., Ia.	1,598,137	791,785	49.5	-96.899	171,130	74,461	912,417	350,779	1,695,036
Empl. M. Fire, Wis.	179,172	45,570	25.4	+66.030	.....	.....	416,756	181,450	123,142
Empl. M. Lb., Wis.	1,879,589	763,120	40.6	+126.051	.....	.....	416,756	181,450	1,753,538
Equity Mut., Mo.	347,148	144,424	41.6	+48.293	10,709	2,828	70,334	30,764	92,604
Exch. M. In., N.Y.	369,859	130,560	35.2	-59.811	279,400	96,137	89,185	34,012	298,855
Fact. M. Liab., R. I.	2,943,367	941,835	31.9	-109.810	2,191,044	714,562	542,051	164,729	429,670
Farmers All., Kan.	33,610	13,707	38.4	+8.389	18,860	8,316	.....	.....	62,554
Farm Bu. Mut., Ind.	400,258	168,578	42.1	+116.691	48,974	9,691	116,191	43,739	27,221
Farm Bu. M. Au., O.	5,395,642	2,478,794	45.9	-604.172	171,722	33,705	2,833,095	1,231,687	153,290
Farm Bu. M. F., O.	248,827	104,169	41.8	+34.853	248,827	104,169	1,236,220	577,653	1,154,596
Farm Bu. M., N. H.	174,326	90,228	51.7	+13.920	2,383	7	.....	.....	635,769
Farm Bu. M., Kan.	95,176	26,414	27.7	+75.974	12,447	6,274	35,597	2,054	213,974
Farm M. Au., Ia.	1,137,944	466,640	40.2	+57.737	90,827	17,399	293,562	249,056	160,396
Farm M., Hail A., Wis.	232,042	105,999	45.6	-22.857	38,923	8,418	51,463	19,659	19,292
Farm M. Liab., Ind.	279,677	152,792	54.6	+54.816	37,091	7,964	55,495	20,318	224,861
Farm. Un. M. A., Ia.	202,154	50,353	24.9	+49.066	38,062	7,897	54,857	15,887	153,088
Federal Mut., Mass.	224,202	59,807	26.6	+34.908	.....	.....	.....	.....	189,294
Fidelity Mut., Ind.	123,171	48,811	39.6	+56.444	.....	.....	.....	.....	66,727
Fitchburg M., Mass.	99,131	28,270	28.5	+5.946	57,380	8,718	4,072	1,929	93,185
Frankenmuth, Mich.	315,433	138,882	43.9	+46.715	38,376	11,640	106,338	28,665	268,718
Glen Cove M., N.Y.	63,559	16,650	26.1	+12.516	.....	.....	.....	.....	51,053
Globe Mut., Mo.	91,539	28,905	31.5	+29.485	43,404	7,959	.....	.....	62,053
Goodville M. C., Pa.	118,372	21,995	18.5	+6.430	68,286	12,384	50,086	9,611	111,942
Grange M. Cas., O.	233,107	115,062	49.2	+42.483	20,809	3,252	103,270	43,801	190,924
Gr. Dealers Nat., Ind.	331,648	124,336	37.4	+83.650	38,479	11,199	.....	.....	247,998
Green Mt. Mut., Vt.	24,559	6,571	26.7	+5.506	13,539	2,082	.....	.....	19,053
Hampshire Mut., Ill.	149,818	54,245	36.2	+137.943	.....	.....	.....	.....	11,875
Hdwr. Dirs., Wis.	375,900	82,180	21.8	-392.567	.....	.....	.....	.....	768,467
Hdwr. M. Cas., Wis.	7,167,481	2,764,474	38.5	-53.406	4,975,563	1,941,042	1,486,736	550,803	7,320,887
Hdwr. Mut., Minn.	105,247	21,059	20.0	-224.027	105,247	21,059	.....	.....	329,374
Harleysville M., Pa.	1,733,881	697,858	40.2	-71.265	125	241	1,227,982	456,406	1,805,146
Highway Mut. Cas.	.....	.....	.....	.....	.....	.....	.....	.....	1,714
Holyoke Mut., Mass.	156,074	47,925	30.7	+7.121	22,594	6,554	21,326	14,979	148,953

(CONTINUED ON NEXT PAGE)

## XUM

	1939				1938				1937							
	Total Net Premiums	Paid Losses	Loss Ratio %	Inc. or Dec. in Premiums	Fire, Theft & Compreh. Net Premiums	Liability Paid Losses	Property Net Premiums	Damage Paid Losses	Collision Net Premiums	Total Paid Losses	Inc. or Dec. in Premiums	Total Net Premiums				
New Castle Del....	3,077	1,159	37.7	+ 373	.....	.....	.....	.....	.....	.....	.....	.....				
N. Y. Cent. Mut....	110,277	36,430	33.0	+44,372	.....	.....	.....	.....	.....	.....	.....	.....				
N. Y. Prt. & Bkks. M.	7,833	67	0.8	+6,249	.....	.....	1,592	87	.....	.....	.....	.....				
N. W. Mut., Wash.	686,474	289,291	42.1	-163,190	288,858	96,505	.....	.....	.....	.....	.....	.....				
Norfolk & Dedh., Mass.	14,403	3,037	21.0	+10,716	.....	.....	185,124	58,011	212,492	134,775	849,064	349,512	41.1	-31,435	881,099	
North Cent. M., Ia.	94,787	28,866	30.4	-15,710	10,219	1,286	38,085	12,065	.....	.....	.....	.....	.....	.....	.....	
Ohio Hdwe. Mut....	154,758	62,762	46.5	+18,917	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Ohio Und. Mut....	59,649	19,963	33.4	+26,587	19,837	4,476	.....	320	19	34,521	13,970	33,062	15,054	45.5	+8,033	25,029
Oneida Co-op., N. Y.	3,003	945	31.4	+1,673	1,686	212	.....	.....	1,317	733	1,330	561	42.1	-457	1,787	
Oregon Mut., N. Y.	231,785	115,114	49.6	-5,893	78,348	27,599	.....	.....	152,510	87,291	237,678	92,937	39.1	+68,680	168,994	
Otsego Mut., N. Y.	14,626	4,469	30.5	+6,563	7,010	1,083	.....	.....	7,616	3,386	8,063	3,066	38.0	+2,156	5,907	
Patrons Mut. Cas..	2,936	1,028	35.0	-454	.....	.....	2,936	1,028	.....	.....	3,390	861	25.3	.....	.....	
Pawtucket Mut....	269,243	97,749	36.3	-14,202	.....	.....	.....	.....	.....	.....	283,445	143,319	50.5	+30,131	253,314	
Pa. Lumb. Mut....	104,337	52,751	50.5	-19,912	.....	.....	.....	.....	.....	.....	124,249	80,036	64.4	-72,138	196,387	
Penn. Mut. Fire....	14,995	6,371	42.4	+8,393	6,896	1,970	.....	.....	8,097	4,399	6,602	3,279	49.6	+3,964	2,638	
Pa. Thr. & Farm....	845,282	403,071	47.6	-45,201	.....	.....	602,029	262,463	243,253	140,618	890,183	437,546	49.1	+63,921	826,562	
Phenix Mut., N. H.	20,205	4,941	24.4	+1,553	.....	.....	.....	.....	.....	.....	18,652	6,667	35.7	+3,301	15,351	
Pioneer Co-op., N. Y.	21,060	8,052	38.2	+3,598	10,002	2,230	.....	.....	.....	.....	17,402	7,537	43.1	+7,884	9,578	
Pioneer M. Cas., O.	66,814	34,069	50.9	-38,215	.....	.....	21,165	6,588	14,852	8,617	18,070	14,476	.....	.....	.....	
Policyhol. M. C., Ia.	93,267	22,372	23.9	+38,215	8,514	1,814	35,132	10,504	27,198	4,595	13,402	4,476	.....	.....	.....	
Postal M. Ind. Cas.	51,989	8,898	17.0	+36,941	.....	.....	32,566	2,085	13,536	2,264	5,887	5,549	.....	.....	.....	
Prof'd Mut., N. Y.	114,953	56,158	48.8	+19,358	50,974	15,104	.....	.....	.....	.....	69,979	41,054	.....	.....	.....	
Progress M. Au., Ia.	16,588	4,766	28.7	+5,689	3,073	1,210	5,150	1,201	3,947	902	3,764	1,354	.....	.....	.....	
Protect. Fire, Neb.	3,301	511	15.4	+115	.....	.....	68,704	8,344	.....	.....	3,186	711	22.3	+588	2,598	
Public M. Cas., Mo.	76,835	7,923	10.3	.....	.....	.....	530,181	260,773	25,876	1,579	.....	.....	.....	.....	.....	
Pub. Service, N. Y.	554,067	263,460	47.5	-128,827	.....	.....	.....	.....	.....	.....	678,884	292,167	.....	-305,990	984,874	
Quincy Mut., N. Y.	185,143	54,026	29.1	+33,775	.....	.....	.....	.....	.....	.....	151,368	54,092	35.7	+26,380	124,988	
Republic Mut., O.	182,202	59,555	32.6	.....	25,833	8,052	75,368	16,479	37,660	12,838	43,341	22,186	.....	.....	.....	
Reserve M. C., Mo.	5,869	2,090	.....	-27,878	-1,558	1,203	.....	.....	.....	.....	-1,311	887	.....	.....	.....	
R. I. Mut. Liab....	54,886	22,435	40.8	.....	.....	.....	44,059	16,254	19,072	6,062	1,755	118	.....	.....	.....	
St. Marys M. F., Pa.	19,845	12,100	60.9	-2,420	6,745	3,479	.....	.....	.....	.....	13,009	8,619	.....	.....	.....	
Salem Mut., Mass.	3,882	1,381	35.6	+534	.....	.....	.....	.....	.....	.....	3,348	2,087	62.3	-281	3,629	
Sav. M. Cas., Ill.	266,028	88,991	43.1	+15,176	8,030	2,163	107,558	67,039	17,386	9,446	12,927	10,318	.....	+136,469	54,383	
Seabrd. M. Cas., Pa.	84,613	8,761	10.3	+27,244	.....	.....	60,645	5,723	23,968	3,037	57,369	28,212	49.1	+3,128	54,241	
Secur. M. Cas., Ill.	396,060	140,259	35.1	-90,787	.....	.....	351,826	124,760	47,234	15,499	489,847	134,156	27.3	-55,819	545,666	
Service Mut., Tex.	50,055	35,026	69.9	-34,667	.....	.....	12,886	2,086	5,574	1,688	16,160	18,330	.....	+60,433	54,289	
Serv. M. Liab., Mass.	263,009	210,696	80.1	-23,068	.....	.....	190,374	170,354	72,634	40,340	286,077	197,887	69.1	+71,738	214,339	
Shawnee Mut., O.	1,295	-2,521	.....	.....	27	-194	.....	.....	.....	.....	1,268	-2,327	.....	.....	.....	
Shelby Mut., O....	760,999	310,947	40.8	+784	.....	.....	545,965	211,630	213,974	98,403	1,060	914	.....	-1,843	417,081	
Stand. M. Cas., Ill.	163,678	60,303	36.8	+29,234	16,921	2,555	87,130	34,212	37,626	12,612	21,999	10,921	.....	+14,370	120,084	
Standard Rel., Neb.	38,231	11,095	29.0	+1,499	7,744	1,851	15,404	3,687	7,228	1,708	5,862	1,896	.....	+9,835	26,897	
State A. Mut., O.	4,135,201	1,607,146	38.8	+22,526	561,383	142,456	2,104,432	797,706	803,760	373,451	665,626	295,333	.....	-119,855	4,232,530	
St. Farm. Mut., Ill.	15,225,430	6,464,233	42.4	+2,187,775	1,506,483	492,563	7,198,494	3,010,530	2,399,795	1,015,230	4,126,658	1,945,910	.....	+2,113,598	10,924,057	
State Fire, N. H.	5,051	1,235	24.4	+388	.....	.....	.....	.....	.....	.....	4,663	1,666	35.7	+825	3,838	
St. Merc. M., Pa.	196,451	63,816	32.2	+156,671	196,451	63,816	.....	.....	.....	.....	49,780	5,682	11.4	+47,692	2,089	
Sterling F., N. Y.	14,409	6,601	45.8	+5,467	6,737	3,923	.....	.....	.....	.....	8,942	6,675	74.6	+4,501	4,441	
Tomp. Co-op., N. Y.	9,343	3,996	42.7	-444	4,770	446	.....	.....	.....	.....	9,787	1,712	17.4	+4,096	5,691	
Tr. & Mech., Mass.	4,691	1,114	23.9	+1,430	4,691	1,114	.....	.....	.....	.....	4,573	3,550	.....	.....	.....	
Transp. M., Boston.	126,259	55,334	43.8	+7,225	.....	.....	126,259	55,334	.....	.....	.....	.....	.....	.....	.....	
Travel Mut. Cas....	309,118	162,053	52.4	-111,570	10,735	6,062	184,778	101,557	105,034	48,515	8,571	5,919	.....	-17,852	438,540	
Und. Mut. Ind., O.	384	2,170	565.1	-8,266	384	2,170	.....	.....	.....	.....	8,650	2,614	.....	+4,237	4,423	
Union Fire, Neb....	191,092	78,234	40.9	+26,958	61,728	20,420	43,608	14,032	21,007	6,940	47,449	36,842	.....	+42,783	121,351	
Union Mu. F., R. I.	9,837	4,491	45.6	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Union Mut., Vt....	24,067	8,482	35.2	+908	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Unit. Mu. Cas., O.	39,508	14,479	36.6	+7,329	4,503	1,070	15,704	4,601	8,547	3,607	8,767	5,116	.....	+9,725	22,241	
United Mut., Mass.	1,269,075	315,480	24.8	+199,897	976,418	201,966	.....	.....	.....	.....	276,145	107,065	.....	+71,842	997,336	
U. S. Mut. Liab....	23,609	8,549	36.2	-9,279	.....	.....	23,609	8,549	.....	.....	32,888	10,988	33.4	-678	33,566	
U. S. Mut., Ill....	474,406	164,802	34.7	+108,112	37,127	7,120	271,804	103,886	143,289	44,288	22,186	9,508	.....	+131,927	234,367	
Utica Fire	33,693	11,565	34.3	+4,461	21,730	4,934	.....	.....	.....	.....	11,825	6,627	.....	+4,582	24,650	
Utica Mut., N. Y.	3,281,931	1,207,252	36.7	-30,422	1,609	.....	2,520,707	907,055	680,645	274,036	78,284	25,984	.....	+394,163	2,918,190	
Vermont Mut., N. Y.	17,021	9,618	56.5	+4,863	.....	.....	.....	.....	.....	.....	12,158	2,676	22.0	+3,148	9,010	
Va. Auto. Mut....	269,403	96,514	35.8	+50,896	5,792	3,799	175,139	60,813	79,795	29,958	8,677	1,944	.....	+57,435	151,072	
West. Mil. M., Mo.	50,550	16,827	33.2	+24,313	.....	.....	.....	.....	.....	.....	.....	26,237	.....	-791	27,028	
Western Mut., Ia.	204,952	68,345	33.3	+6,884	46,904	10,917	67,726	24,782	36,804	9,968	53,518	22,678	.....	+114,113	83,955	
Western St. M., Ill.	164,904	48,097	29.1	+15,010	18,684	3,449	70,944	17,153	39,526	10,046	35,093	17,347	.....	+14,057	135,837	
Wis. Central Cas..	6,180	698	11.2	.....	1,748	698	2,903	.....	.....	.....	44,787	20,471	45.7	+1,816	32,971	
Wis. Mut., Madison	113,299	52,333	46.1	+7,817	12,005	4,315	63,983	29,477	30,764	15,029	6,547	3,168	.....	.....	.....	
Wolverine M. Mot.	88,870	33,422	37.6	-14,012	6,553	2,683	50,790	17,621	30,083	10,829	705	1,532	.....	-32,992	135,874	
Worcester M., Mass.	78,071	18,106	23.1	+14,058	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Workm. Mu., Wis.	498,422	.....	.....	+9,316	6,704	.....	52,225	.....	.....	.....	4,915	.....	.....	-7,645	166,731	
Wyom. V. F., N. Y.	16,331	7,919	48.4	+5,885	.....	.....	.....	.....	.....	.....	.....	.....	.....	+4,001	.....	
Yellow Cab. M., Ill.	55,754	174,319	312.6	-283,597	.....	.....	55,754	174,319	.....	.....	.....	.....	.....	-83,241	422,592	
Total	127,886,082	49,970,418	39.1	+7,280,579	72,775,770	28,593,906	23,546,917	9,205,310	14,615,183	7,120,014	120,605,503	48,428,783	40.1	+7,873,230	112,732,273	

†Formerly Hutchins Mutual, D. C.

‡Reinsured 100 percent.

\*In receivership.

## Point Out Advantages of Coverage

Financial responsibility laws in effect in a majority of the states provide you with effective sales ammunition. Comparison of what happens in case of accidents involving insured and uninsured persons brings home the need for insurance. Although the financial responsibility laws vary in their provisions the

following outline can be adapted to the provisions of your own state's law:

If you have insurance:

1. The insurance company will defend you.
2. If a judgment is rendered against you the insurance company pays immediately so that

(a) Your driver's license is not suspended.

(b) Your registration certificates are not suspended.

(c) Your license plates are not taken from you.

(d) It is not necessary to file evidence of financial responsibility.

(e) No extra charge is made by the insurance company for a policy taken after an accident.

### Do Not Have Coverage

If an accident occurs and you do not have insurance you will have to:

1. Defend yourself.
2. If judgment is rendered against you, you have to

(a) Pay the judgment within 30 days.

(b) If you do not pay judgment within 30 days your driver's license is suspended.

(c) Your registration certificates on all your cars are suspended.

(d) Your license plates on all your cars are taken from you.

If you wish to reinstate your driver's license, registration certificates and license plates at any future date you must:

1. Pay the outstanding judgment.
2. File evidence of financial responsibility.
3. If you obtain an insurance policy to file as evidence of financial responsibility the insurance company will add

an extra charge to its regular premium.

If a person wishes to maintain, operate or use an automobile in states with financial responsibility laws he must be prepared to satisfy all judgments rendered against him as the result of an automobile accident.

### Legal Expense High

A lower court verdict for \$5,000 on an automobile accident death was contested by the insurer on the grounds that there was no liability involved. The case was filed in 1935 and finally was won by the insurer in appellate court in 1939. Attorney fees, court costs, etc., amounted to \$3,000. This did not include claim men's time or traveling. This is a good example of the high cost of legal defense faced by an uninsured motorist.

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For the Companies

Insurance Exchange Building

Chicago, Illinois

## Develop "Your Problem" Angle in Selling

(CONTINUED FROM PAGE 6)

your car again until you file evidence of your financial responsibility to show that you'll be able to pay another judgment in case you happen to have a second accident. Probably the only way you can do this is to buy liability insurance but in order to get insurance under the circumstances you have to pay an extra charge in addition to the regular premium.

"I think you'll agree with me, Mr. Bland, that by not having insurance you can get into a great deal of trouble and grief. In other words, if you wish to maintain, operate or use an automobile in this state you have to be prepared to satisfy all judgments rendered against you as the result of an automobile accident.

### Act Before Trouble Comes

"The easiest and cheapest way to handle your problem, Mr. Bland, is to solve it before you get into trouble. By ordering an automobile liability and

property damage insurance policy from me today, Mr. Bland, you provide that my insurance company will defend you in case you are involved in an accident. Not only does the company pay all the costs in defending the suit but it promptly pays any judgment rendered against you up to the limits of your policy so that your driver's license is not suspended, your registration certificates are not suspended, your license plates are not taken from you and it is not necessary for you to file evidence of your financial responsibility. Furthermore, there is no extra charge made for a policy after the accident."

### NON-OWNERSHIP TALK

There is a strong tendency towards an increase in both size and frequency of claims against employers involving employee-operated automobiles not owned by the employer. Every employer faces this unknown financial hazard. There are so many uncertainties and contingencies involved that insurance with adequate limits is the only

sound answer to this problem which every employer faces.

The following sales approach emphasizes these points:

"As an employer, Mr. Curtin, you are legally liable for the negligence of every one of your employees. This is a well established law. It means that if any of your employees driving an automobile in the course of his employment injures or kills someone or damages another's property, it is very likely a judgment will be rendered against you if the jury finds your employee negligent.

### What About Driving Habits?

"You may maintain a close check on salesmen, service men and others who drive company cars or have an allowance to drive their own cars, but do you know about the other employees' driving habits? This means, Mr. Curtin, that you face an unknown financial hazard. You never know when an employee may use his own or another's automobile on what may be construed by a court as your business.

"There is also the unknown hazard you face, Mr. Curtin, of having some indirect agent or representative whom you

may not even consider as an employee, being involved in an accident at your expense. Courts have found an employer-employee or master-servant status exists in some far fetched cases. No one can say with any positive assurance whether or not you may be held liable under any hypothetical set of circumstances. The law varies and in the final analysis it is the jury which decides.

### Investigate All Claims

"As you probably know, Mr. Curtin, under an automobile liability policy the insurance company investigates at no cost to you all claims whether groundless, false or fraudulent. This service in a non-ownership policy is especially valuable to you, as an employer, because if one of your employees is involved in an automobile accident suit you will be included as a defendant if there are any possible grounds by which you may be held liable. This is especially true where an employee does not have his own insurance and the injured man's lawyer is anxious to find some way of collecting damages. As damage suit lawyers generally work on a contingent basis, even if there is only a slender chance of collecting from you, the lawyer will make

# Reliable Automobile Repair



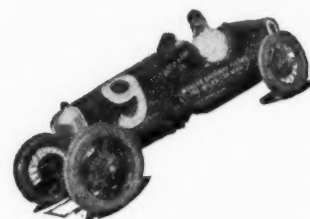
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an attempt to include you in the suit. "By purchasing non-ownership liability insurance, Mr. Curtin, you provide protection against both known and unknown hazards. It provides complete protection so you are not dependent upon the insurance carried by your employees or by the owners of cars which your employees may operate.

"Attempts to prohibit or regulate the operation of automobiles by your employees are not effective substitutes for insurance as violations of such instructions are seldom held by the courts to relieve employers of liability.

"Ownership of the car is not a factor in determining your liability, Mr. Curtin. Court decisions state that the governing factor is whether or not the automobile, whoever owns it, is used with your actual or implied authorization or required in your business. The very fact that the employee is operating an automobile on your business at the time of the accident makes you directly liable for resulting damages.

"Even if each one of your employees carried insurance, the limits may not be adequate or the financial status of his insurance company may be uncertain."

## **Finds Virtue in Making Ultra-Prompt Claim Settlements**

Profiting from the lessons learned when it wrote only the statutory taxicab liability coverage for which it was organized, Public Service Mutual Casualty of New York has found that ultra-prompt settlement of claims, even before any demand was made, is a big factor in keeping down the loss ratios in all lines.

By keeping claim representatives on the job or on call 24 hours a day, the company can put a man in touch with the victim of an accident at the earliest possible moment.

One of the company's best adjusters is a big ex-policeman who habitually carries a roll of bills of horse-choking proportions and can settle claims on the spot for cash. Naturally, payment is made by check, but the adjuster can take back the check from the claimant and hand over currency. There is something about cash in hand which is

very appealing to a potential claimant, who might otherwise be tempted to get himself a lawyer and inflate the value of his injuries. The company estimates that if a lawyer gets into a case it means an extra \$50 in claim cost regardless of the merits of the case.

## **Big Field For Low Limit Auto Liability Policies**

Serious consideration should be given the solicitation of the low limit automobile liability policy. Facts show that there is a field for this \$1,000 single limit automobile coverage because of the limited income of many automobile owners. A survey shows that 67 percent of the cars in this country are owned by families with incomes of \$1,500 per year or less. This is the fastest growing group of car owners. Obviously this group of necessity must be economy minded. Experience shows that in writing a \$1,000 policy in 86 percent of the cases the policy is written on cars not previously insured and that 70 percent of them were bought by people in the low average income groups.

The \$1,000 policy is designed for the man who cannot meet a \$1,000 claim out of his own resources and cannot afford to buy standard limits, but who wants to do the best he can for any one who might be injured by his car. Two out of three automobiles are owned by such persons.

## **Insurance Saves Policyholder Time and Money**

(CONTINUED FROM PAGE 17)

had been driving the car or the father who had evidently figured that "here is a chance to get money out of a foreigner."

It was in this small Georgia town that I first realized that I really appreciated insurance for which I had been paying for 10 years. Had it not been for the insurance company, it would have meant being marooned in a small town without money, ruining a Florida vacation and leaving the car a thousand miles from Chicago and then having to go back there to pick it up. Insurance saved me money, time and a lot of worry.

# **and Towing Organizations IN CHICAGO and METROPOLITAN TERRITORY**

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In the devastating Albany, Ga., tornado this garage was totally demolished. Several cars can be seen in the debris.  
—Acme Newspictures.

## Young Agent Has Opportunity

(CONTINUED FROM PAGE 3)

a choice. The \$1,000 policy is responsible for many higher limit policies placed on the books from the beginning with these higher limits.

The risk classification plan and the safe driver reward plan are likewise sound merchandising methods. They meet the public want. They satisfy the buyer with the road over which he travels toward his decision to buy. Queer as it may sound to many—he wants to buy. But he insists that the path to his decision be a path easy for him to travel. The new merchandising methods prepare that path for him. As soon as he is satisfied that what he regards as important has been met in a reasonable way, he acts favorably on the main issue. In selling, so long as the main issue is satisfactorily met and there are no devious methods involved, merchandising is just letting the prospect buy in his own way. Too long has there been an insistence that he buy some other way.

### Appeal to Young Prospects

The \$1,000 policy makes a special appeal to young prospects. It is, therefore, an ideal approach for the young agent. The young prospect has little or no property. But he has a reputation, a job and usually a readiness to meet his obligations as a member of society if he can. Purchase of the \$1,000 policy helps him to sustain all three. Then as he grows in income and prosperity, the agent can grow with him. It is the renewal at higher limits of the rising minority and their purchase of other insurance that counts most. To the young agent is now offered visual sales helps to present an eye appeal for the chief service values in the automobile contract as well as special training in how to capture the prospect's ear and hold it for a 10 or 12 minute sales talk, and that is long enough to go over effectively a presentation. Ten to 15 of these sales talks can be made in a day. Here are a few sales points in the policy. Use questions about them to capture and hold attention. It doesn't matter that these are coverages granted by a standard contract. The buyer will be interested particularly if the policy sales points are emphasized by dramatic human examples, not the legal phraseology of the contract. Therefore all these policy points must be translated into human interest stories.

Bodily injury liability coverage includes claims for care and loss of services.

Property damage liability coverage in-

cludes claims for loss of use.

The company agrees to investigate and defend all claims even if groundless, false or fraudulent.

Policy provides for the payment of court costs; legal fees; entire premium on appeal bond; all premiums to release attachments for an amount not in excess of the applicable limit of liability of the policy; and all interest accruing after entry of judgment until the company has paid, tendered or deposited in court its share of the judgment.

Policy also provides for the payment of any expense incurred by the assured in the event of bodily injury, for such immediate surgical and medical relief to others as shall be imperative at the time of accident.

The company agrees to pay the expenses incurred under the two items above, regardless of policy limits.

Broad definition of "insured" (omnibus coverage) clause.

Coverage automatically provided for newly acquired automobiles.

Policy covers anywhere in the United States, Canada and Newfoundland.

### Riot Clause Not Applicable

"Invasion, insurrection, riot, civil war or commotion, military, naval or usurped power or by order of any civil authority" exclusion is not applicable to the liability or glass damage coverages.

Policy extends coverage to the legal representative of the assured in the event of death, bankruptcy, or insolvency or assured upon notice to the company within 30 days of such death, bankruptcy, or insolvency.

Policy contains standard financial responsibility law clause acceptable in all financial responsibility law states requiring insurance.

Policy provides that . . . upon the occurrence of an accident, written notice shall be given by or on behalf of the assured to the company or any of its authorized agents as soon as practicable.

Broad bankruptcy or insolvency clause.

The young man today is being taught how to make a sales presentation live and breath and thus move the buyer. Even up to a few years ago the agent was left to his own resources after he was handed a manual and a contract copy.

### Shock Proof Business

The young agent has a better opportunity today because he has to keep busy at creative selling to live. In a few years he has a premium spread of small

units that is shock proof from individual lapses. His morale cannot be shattered by loss of one or two large premium risks. The established agent is often subject to the hazard of concentrated attention on a few larger risks to the point that addition of new buyers becomes secondary and loss of one or two major accounts then proves fatal. There is a story or two of that kind in every city. That presents opportunity to the young man who tells the people in large numbers about his goods.

\* \* \*

Recent studies of college graduates' earnings by colleges as well as by the United States government invariably show insurance salesmen reaching uniformly higher income levels in shorter period after graduation than those in any other classification uniformly open to young men.

This is the day of young men in the insurance business and nowhere is this more evident than in the field of automobile selling.

## Judgments Can Be Kept Alive Forever

(CONTINUED FROM PAGE 4)

within the 20 years but it can be renewed again and again. In order to execute a judgment, seize property, garnishee wages, put the defendant in jail in case of malice, it is necessary to do so within the first seven years in Illinois. These powers expire at the end of seven years but can be renewed before the end of the seven year period. In other words a judgment is active for seven years but may be renewed any time within 20 years for another seven year period. Other states have similar provisions for renewal or if they are not actually stated they are implied.

Despite such limitations there are other recourses which the plaintiff has in collecting on a judgment. He can bring a suit on an unpaid judgment by submitting a certified copy of the original judgment as evidence to secure a new judgment. Accumulated interest payments are included in the new judgment in addition to the original amount.

## Prominent Minnesota Man On Compulsory Measure

(CONTINUED FROM PAGE 13)

of reducing the number of tort cases they handle because so many are settled out of court by the insurance companies.

"I doubt if there is a legislature in

the United States which would pass a bill providing \$2,000,000 in funds to be allocated and earmarked for safety work because such money would come out of general taxes or would be labeled in such a way that the motorist would feel the 'bite.' However, many legislators are willing to pass a law providing for 'indirect taxation' by labeling the premium paid with the ticket of insurance. Again I say, yours is an excellent editorial and the only place I take issue with you is when you suggest that the arguments of yesterday are not good today."

## Stock Fire Premiums Reach Highest Mark in History

(CONTINUED FROM PAGE 18)

ganized Emmco which gets its name from the initials of the president of Associates Investment, E. M. Morris. Then it formed Emmco Casualty that writes the third party lines and is making a bid for general business.

One of the reasons prompting finance companies to organize their own insurance affiliates, other than the fact that the other fellow is doing it, is the ruling of the National Automobile Underwriters Association putting a ceiling of 30 percent on commissions on finance business. Many of the finance companies were getting in excess of 30 percent and they decided to have their own companies, in the event that the insurance company should insist upon commission reduction.

### Controversial Proposal Up

Just at the moment, the interest in the automobile field centers on the proposal to reduce the premium on finance business by 25 percent and to pay a commission of 10 percent to the producer.

Just the other day National Bond & Investment Co. of Chicago perfected the organization of a new insurer, known as Plymouth. Washington Fire & Marine and Middle Western Fire & Marine are two companies of St. Louis that were recently formed by finance company interests. American Mutual of Des Moines is owned by a finance company. Interstate of New Jersey, American Security and Commercial, both of Georgia and Mount Beacon of New York are other companies of the same makeup.

### General Exchange Leads

General Exchange retains its leadership among the stock fire companies with premiums in 1939 of \$26,540,914. Its new affiliate, Motors Insurance, had premiums of \$430,711. Apparently Motors Insurance is being used in those states where tariff rates are being charged and a commission is being paid to the automobile dealer. General Exchange in most states writes its business at 20 percent below tariff, without paying commissions. General Exchange premiums gained more than \$6,000,000 in 1939, not taking into account business of Motors Insurance. Home of New York is well entrenched in second place with a gain in premiums of better than \$5,000,000. The various Home affiliates also are sizable writers of automobile insurance, and the Home group is in top position in the fleet ranking.

Hartford Fire made a healthy gain and stands in third place and is closely followed by Aetna Fire, as was the case in the previous year. National Fire retains fifth position with a gain of about \$800,000 in premiums. Travelers Fire remains in sixth place. American Automobile Fire gained a notch and stands in seventh place followed by Automobile.

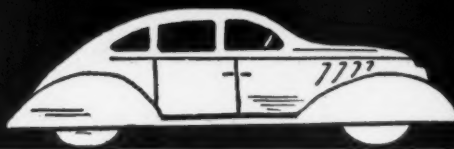
Either you sell yourself on the belief that the year ahead will be just another year of hardship, struggle, and worries—or you sell yourself that it will prove the best year of your entire career.

Never let the memory of mistakes and grief stay with you, save in the form of experience to reform the future.

# Automobile Premiums and Losses of Stock Fire Companies

(CONTINUED FROM PAGE 18)

1939					1938					1939					1938					
	Net Premiums	Paid Losses	Loss Ratio	Inc. or Dec. in Prem.		Net Premiums	Paid Losses	Loss Ratio	Inc. or Dec. in Prem.		Net Premiums	Paid Losses	Loss Ratio	Inc. or Dec. in Prem.		Net Premiums	Paid Losses	Loss Ratio	Inc. or Dec. in Prem.	
Amer. Fire, Tex.	\$1,746	6,870	16.4	+39,575	2,171	1,855	85.4	-1,744	Mid-Am. Mich.	177,725	15,015	8.4	+151,381	445,856	249,177	55.8	+132,108			
Amer. Home	242,126	116,794	48.2	+125,332	218,150	140,831	64.5	-77,319	Millers Nat., Ill.	497,237	204,794	41.1	+133,303	615,520	249,470	40.5	+155,003			
Amer. N. J.	1,076,688	494,737	45.9	+102,134	974,534	684,689	70.2	-289,745	Milwaukee M.	748,823	304,161	40.6	+444,662	353,524	176,076	49.8	+35,873			
Amer. Reserve	85,502	32,979	38.5	+52,523	52,681	24,199	45.9	+28,482	Monarch	318,953	143,422	44.9	+175,531							
Amer. Sec. Co.	321,992	93,432	29.0	+179,522	142,370	24,462	16.8	+117,908	Motors Ins. Corp.	430,711	8,804	2.0	+421,907							
Anchor, R. I.	100,073	40,010	39.9	+60,063	83,472	41,679	49.9	+41,793	Mount Beacon	73,270	3,738	5.1	+69,532							
Assoc. F. & M.	53,613	13,000	24.2	+40,613	51,721	10,872	21.0	+40,849	Natl. Am. Neb.	343,553	151,741	44.1	+191,812	279,139	203,690	72.9	+75,449			
Atlas, Eng.	412,119	228,426	55.4	+183,693	458,292	310,280	67.7	-148,012	Natl. Ben. Fr.	275,881	12,059	4.4	+263,822	230,381	91,360	39.6	+139,021			
Automobile	3,317,622	1,144,722	34.5	+2,172,900	2,863,805	1,071,307	37.4	+1,792,498	Natl. Cap. D. C.	241,639	62,583	25.8	+179,056	128,346	42,014	32.7	+86,332			
Baltica	16,305	7,467	45.7	+8,838	14,105	23,281	165.0	-9,176	Natl. F. & M.	42,856	11,043	25.7	+31,813	20,681	7,590	36.7	+13,091			
Baltimore Am.	417,111	235,586	56.5	+181,525	302,984	325,212	107.3	-22,228	National, Colo.	97,790	38,971	39.8	+58,819	91,264	48,822	53.4	+42,442			
Baltimore Nat.	6,552	1,674	25.5	+4,878	6,639	2,850	42.9	+3,789	Natl., Hartford	3,906,909	1,728,875	44.1	+2,178,034	3,178,339	1,890,539	59.5	+1,287,800			
Bankers F. & M.	785	239	30.4	+546					Natl. Grange F.	67,194	5,891	8.7	+61,303	50,474	6,794	13.4	+43,680			
Bank & Ship.	2,349,686	993,793	42.2	+1,355,893	1,813,984	1,007,811	55.5	+806,173	Natl. Liberty	1,127,749	478,932	42.4	+648,817	818,938	682,919	83.3	+135,919			
Birmingham, Ala.	62,839	19,635	31.2	+43,204	29,858	10,970	36.7	+18,888	Natl. Reserve	514,726	281,239	54.6	+233,487	353,717	171,622	48.5	+182,095			
Birmingham F., Pa.	83,526	58,579	70.1	+24,947	86,913	44,565	51.2	+42,348	Natl. Security	49,985	18,484	36.9	+31,501	42,193	19,202	45.5	+22,991			
Boston	572,265	197,707	34.5	+374,558	543,128	228,277	42.0	+314,851	Natl. Un., Pa.	1,809,510	815,591	45.0	+993,919	1,668,812	960,476	57.5	+708,336			
Brit. Am. Ont.	31,670	16,828	53.1	+14,842	45,773	28,325	61.8	+17,448	Netherlands	39,404	22,178	56.2	+17,226	49,689	25,791	51.9	+23,898			
Brit. F. & Eng.	3,259	3,275	100.0	-16	11,850	3,677	31.0	+8,173	Newark	208,787	125,730	60.2	+83,057	300,717	155,798	51.8	+144,919			
British Genl.	62,369	26,380	42.2	+35,989	51,335	24,503	47.7	+26,832	New Brunswick	617,043	235,908	38.2	+381,135	448,733	403,361	89.8	+45,372			
Buckeye Un. F.	1,236	120,361	40.8	+1,115,635	212,434	84,498	39.7	+127,936	New England	54,760	23,618	43.1	+31,142	44,000	26,330	60.9	+17,670			
Buffalo, N. Y.	294,581	119,544	40.6	+175,037	282,293	164,902	58.4	+117,391	New Hampshire	781,480	370,213	47.3	+411,267	556,959	201,292	36.1	+355,667			
California	227,260	96,126	42.2	+131,134	187,084	93,236	49.6	+93,848	N. J. Mfrs.	330,674	118,729	35.9	+211,945	330,210	106,613	32.2	+223,597			
Camden Fire	2,415,686	967,035	40.0	+1,448,651	1,517,206	779,303	51.3	+737,903	N. Y. Fire	205,061	84,790	41.3	+120,271	163,431	84,934	51.9	+78,497			
Canadian	79,052	26,152	33.0	+52,900	68,564	38,241	55.7	+30,323	N. Y. Und.	70,551	30,923	43.8	+39,628	60,800	30,177	49.6	+30,623			
Capital, Calif.	33,427	13,418	40.1	+20,009	29,579	11,360	38.4	+18,219	New Zealand	62,523	16,671	26.6	+45,852	2,923	1,294	44.3	+1,629			
Carolina	308,971	142,953	46.2	+166,018	224,366	202,400	90.2	+22,966	Niagara	551,599	196,366	35.5	+355,233	510,076	223,827	43.8	+286,249			
Cent. Sur. F.	198,913	66,154	33.2	+132,759	139,674	42,473	30.4	+97,201	N. Brit. & M.	776,942	354,810	45.7	+422,132	787,483	451,290	57.3	+336,193			
Central, Md.	149,957	55,453	36.9	+94,504	126,579	57,606	45.5	+68,973	Northern, Eng.	469,526	189,684	40.6	+279,842	601,240	365,092	60.7	+236,148			
Century, Scot.	138,206	103,198	74.2	+35,008	278,886	326,888	117.5	-48,002	Northern, N. Y.	1,312,250	473,380	36.0	+838,870	1,134,674	449,487	39.6	+685,187			
Christiana Gen.	36,264	23,859	65.8	+12,405	4,738	21,217	447.8	-16,479	No. River, N. Y.	280,634	104,130	37.1	+176,504	292,656	161,039	55.0	+131,617			
Citizens, N. J.	30,298	12,307	40.6	+17,991	24,514	9,717	39.6	+14,797	Northeastern	54,291	19,321	35.5	+34,970	17,000	9,690	56.9	+7,310			
City of N. Y.	1,235,885	571,825	46.2	+664,060	807,466	803,105	89.4	+7,361	North Star	178,504	45,902	25.7	+132,602	100,812	107,828	106.9	-7,016			
Columbia, O.	45,816	21,053	45.9	+24,763	41,470	29,136	70.2	+12,334	Northw. F. & M.	92,953	37,511	40.3	+55,442	75,899	29,988	39.5	+45,911			
Columbia, N. Y.	85,756	36,756	42.8	+49,000	83,451	42,385	50.7	+41,066	Northw. Natl.	590,292	225,525	38.2	+364,767	518,616	227,330	43.8	+291,286			
Commerce, N. Y.	365,463	168,434	46.0	+197,029	298,052	176,592	59.2	+121,460	Norwich Union	103,538	44,095	42.5	+59,443	91,361	40,277	44.0	+51,084			
Commercial, Ga.	82,188	12,918	15.7	+69,270					Occidental	208,218	39,973	19.1	+168,245							
Com. Un. Eng.	699,747	285,765	40.8	+413,982	551,781	262,616	47.5	+289,165	Ocean M. Eng.	1,608	1,034	64.3	+574		5,078	1,576	31.0	+3,502		
Com. Un. N. Y.	142,577	60,303	42.2	+82,274	117,363	58,015	49.4	+59,348	Ohio Farmers	766,150	291,784	38.0	+474,366	629,497	308,074	48.9	+321,423			
Commonwealth	346,032	142,781	41.2	+203,251	355,391	155,807	43.8	+199,584	Ohio Ins.	71,503	8,426	11.8	+63,077	24,596	3,347	13.6	+21,249			
Concordia	275,882	112,059	40.6	+163,823	230,381	91,360	39.6	+139,021	Old Colony	177,445	84,864	47.8	+92,581	171,533	84,864	49.5	+86,669			
Connecticut	385,540	219,607	56.9	+165,933	430,137	214,064	49.7	+216,073	Old Dominion	4,769	1,919	40.2	+2,850	3,685	2,455	66.6	+1,230			
Continental	2,470,548	1,132,912	45.8	+1,337,636	2,252,192	1,426,636	63.3	+825,556	Orient	149,510	51,497	34.4	+98,013	128,883	55,062	42.7	+73,821			
County F., Pa.	31,108	13,236	42.5	+17,872	27,060	13,623	50.3	+13,437	Pacific Coast	46,069	36,066	78.2	+10,003	92,700	108,963	117.5	-16,263			
Deary Nat.	145,515	69,224	47.5	+76,291	65,664	46,732	70.7	+18,932	Pacific Natl.	2,504,292	1,177,242	47.0	+1,327,050	2,290,521	1,058,480	46.2	+1,232,041			
Detroit F. & M.	61,772	26,458	42.8	+35,314	53,096	27,244	50.7	+25,852	Pacific, N. Y.	1,987,573	867,433	43.6	+1,120,140	1,574,715	852,295	54.2	+722,420			
Dixie	22,908</																			



## *Ask yourself this question*

"If my client had an automobile accident 1,000 miles from home, would his loss be adjusted as quickly as if it had happened in front of my office?"... If placed in a company of Fireman's Fund Group, "Yes!"... Fireman's Fund was the first company to write automobile lines through agents on a nationwide basis, and has as its backlog, an accumulated experience of settling claims speedily anywhere in the country... By representing a company of Fireman's Fund Group, you can give your clients full protection and a loss service that follows wherever they may drive.

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